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OMB APPROVAL
OMB Number: 3235-0123
Expires: September 30, 1999
Estimated average burden
hours per response . . . 12.00

SEC FILE NUMBER
8-53513

3/18

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, 2004 AND ENDING December 31, 2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Boston Cabot, LLC

OFFICIAL USE ONLY
FIRM ID NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
208 South LaSalle Street - Suite 2048

(No. and Street)

Chicago
(City)

IL
(State)

60604
(Zip Code)

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

Paul R.T. Johnson, Jr.

(312) 782-6030

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this report*

Faircloth & Associates, LLC

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

542 South Dearborn Street - Suite 560
(Address)

Chicago
(City)

IL
(State)

60605
(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in the United States or any of its possessions.

PROCESSED

MAR 23 2005

J THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

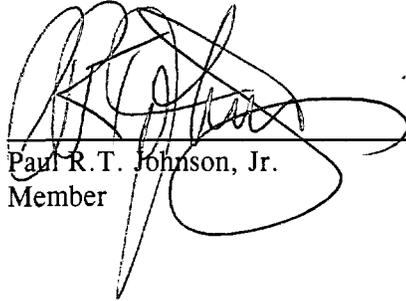
* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

3/18

AFFIRMATION

I, Paul R.T. Johnson, Jr., affirm that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Boston Cabot, LLC as of December 31, 2004, are true and correct. I further 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.

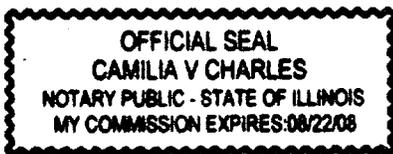
Signature:



Paul R.T. Johnson, Jr.
Member



Notary Public



BOSTON CABOT, LLCStatement of Financial Condition
December 31, 2004ASSETS

Cash	\$	29,598
Amounts receivable from broker-dealers		188,983
Property and equipment net of accumulated depreciation of \$42,382		<u>11,957</u>
<u>Total Assets</u>	\$	<u>230,538</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Accounts payable and accrued liabilities	\$	39,041
Amounts payable to broker-dealers	\$	52,225
Notes payable		<u>5,000</u>
<u>Total Liabilities</u>	\$	96,266
Commitments and contingent liabilities (Note 5)		
Members' equity		<u>134,272</u>
<u>Total Liabilities and Members' Equity</u>	\$	<u>230,538</u>

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

BOSTON CABOT, LLCStatement of Income
for the Year ended December 31, 2004

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Revenues

Commission income	\$	143,848
Trading income	\$	(102,129)
Interest income		3,094
Other income		5,620
		<hr/>
<u>Total Revenues</u>	\$	50,433

Expenses

Administrative expenses	\$	14,029
Exchange fees and clearing charges		5,513
Communications expense		43,043
Depreciation and amortization		7,972
Occupancy expense		37,023
Other operating expenses		258,243
		<hr/>
<u>Total Expenses</u>	\$	365,823

Net Income	\$	<u><u>(315,390)</u></u>
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The accompanying notes are an integral part of this financial statement.

Statement of Changes in Members' Equity
for the Year ended December 31, 2004

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Members' equity, beginning of year	\$	544,202
Member contributions		250,000
Member distributions		(344,540)
Net loss for the year ended December 31, 2004		<u>(315,390)</u>
Members' equity, end of year	\$	<u>134,272</u>

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

Statement of Cash Flows
for the Year ended December 31, 2004

Cash provided by (applied to) operating activities	
Net loss	\$ (315,390)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	7,972
Changes in operating assets and liabilities	
Amounts receivable from broker-dealers	345,930
Payable to brokers and dealers	23,477
Accounts payable and accrued expenses	26,041
	<hr/>
Net cash provided by operating activities	\$ 88,030
Cash provided by (applied to) financing activities	
Contributions by members	250,000
Proceeds of borrowing	5,000
Distributions to members	(344,540)
	<hr/>
Net cash applied to financing activities	\$ (89,540)
Net increase in cash	\$ (1,510)
Cash and cash equivalents at January 1, 2004	<hr/> 31,108
Cash and cash equivalents at December 31, 2004	<hr/> <hr/> \$ 29,598
Supplemental disclosure of cash flow information	
Cash paid during the period for interest	<hr/> <hr/> \$ -
Cash paid during the period for taxes	<hr/> <hr/> \$ -

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

BOSTON CABOT, LLC

Notes to the Financial Statements
December 31, 2004

NOTE 1 - ORGANIZATION

The Company was organized August 6, 2001. The Company is a broker-dealer and a member of the National Association of Securities Dealers. The Company trades in equity securities and futures contracts. The Company does not carry customer accounts as defined in rule 15c3-3 of the Securities Act.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition - Securities and futures transactions, commissions and expenses are recorded on trade date.

Mark-to-Market - Securities and futures are recorded at market value on trade date.

Cash and Cash Equivalents - For financial statement purposes, all highly liquid debt instruments with maturity of three months or less at date of acquisition are considered to be cash equivalents.

Depreciation - Depreciation is recorded using accelerated methods over the useful life of the related assets.

Management's Use of Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes - The Company is treated as a partnership under the Internal Revenue Code. The Company allocates taxable income or loss to the Members of the Company, who are responsible for reporting the taxes thereon. Accordingly, no income tax provision has been included in the determination of net income.

BOSTON CABOT, LLC

Notes to the Financial Statements (Continued)
December 31, 2004

NOTE 3 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Substantially all of the Company's assets and liabilities are considered financial instruments as defined by Statement of Financial Accounting Standard No. 107 and, are either already reflected at fair values, or are short-term or replaceable on demand. Therefore, their carrying amounts approximate their fair values.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Company leases office space under an agreement expiring in 2005. Approximate minimum lease payments under this agreement, exclusive of executory costs, are as follows:

2005	\$ 29,040
<u>Total</u>	<u>\$ 29,040</u>

Office rental expense was \$37,023 for 2004.

NOTE 5 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND CONCENTRATIONS OF CREDIT RISK

In the normal course of business, the Company enters into transactions in financial instruments with varying degrees of off-balance-sheet risk. The Company's exposure to risk associated with counterparty nonperformance on the existing financial instruments is limited to the amounts reflected in the Statement of Financial Condition.

Upon occasion the Company may enter into short sale transactions. These transactions may result in off-balance-sheet risk as the Company's ultimate obligation to satisfy its obligation for short sales may exceed the amount recognized in the Statement of Financial Condition.

BOSTON CABOT, LLC

Notes to the Financial Statements (Concluded)
December 31, 2004

NOTE 6 - CAPITAL REQUIREMENTS

The Company is subject to the capital requirement rules of the Commodity Futures Trading Commission. Company net capital was determined to be \$122,315 under these rules; this amount exceeded the minimum requirement by \$92,315 at December 31, 2004.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Company shares facilities with BC Trading, LLC; a Company under common ownership and control.

NOTE 8 - GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the Company as a going concern. However, the Company has sustained substantial operating losses in recent years. In addition, the Company has used substantial amounts of working capital in its operations.

In view of these matters, realization of a major portion of the assets in the accompanying Statement of Financial Condition is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to meet its capital requirements, and the success of its future operations. Management believes that actions presently being taken to revise the Company's operating and capital requirements provide the opportunity for the Company to continue as a going concern.

BOSTON CABOT, LLC

SUPPLEMENTARY INFORMATION

PURSUANT TO RULE 17a-5 OF THE SECURITIES EXCHANGE ACT OF 1934

AS OF DECEMBER 31, 2004

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

Broker or Dealer Boston Cabot, LLC	as of 12/31/04
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COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)		\$	134,272	3480
2. Deduct: Ownership equity not allowable for net capital				3490
3. Total ownership equity qualified for net capital			134,272	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		\$	134,272	3530
6. Deductions and/or charges				
A. Total non-allowable assets from:				
Statement of Financial Condition (Notes B and C)		\$	11,957	3540
1. Additional charges for customers' and non-customers' security accounts				3550
2. Additional charges for customers' and non-customers' commodity accounts				3560
B. Aged fail-to-deliver				3570
1. Number of Items	3450			
C. Aged short security differences - less reserve of number of items	3460			3580
number of items	3470			
D. Secured demand note deficiency				3590
E. Commodity futures contracts and spot commodities proprietary capital charges				3600
F. Other deductions and/or charges				3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)				3615
H. Total deductions and/or charges			11,957	3620
7. Other additions and/or allowable credits (list)				3630
8. Net capital before haircuts on securities positions			122,315	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. Bankers' acceptances, certificates of deposit and commercial paper				3680
2. U.S. and Canadian government obligations				3690
3. State and municipal government obligations				3700
4. Corporate obligations				3710
5. Stocks and warrants				3720
6. Options				3730
7. Arbitrage				3732
8. Other securities				3734
D. Undue concentration				3650
E. Other (list)				3736
10. Net Capital			122,315	3750

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

Broker or Dealer Boston Cabot, LLC	as of 12/31/04
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COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	6,418	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)	\$	30,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	30,000	3760
14. Excess net capital (line 10 less 13)	\$	92,315	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)		112,688	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. Liabilities from Statement of Financial Condition		92,266	3790
17. Add:			
A. Drafts for immediate credit		3800	
B. Market value of securities borrowed for which no equivalent is paid or credited		3810	
C. Other unrecorded amounts (List)		3820	
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1 (c)(1)(vii))		-	3830
19. Total aggregate indebtedness		92,266	3838
20. Percentage of aggregate indebtedness to net capital (line 19 / line 10)		75%	3840
21. Percentage of Aggregate Indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 / line 10 less item 4880 page 11)		75%	3853

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirement pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including 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. Percentage of Net Capital to Aggregate Debits (line 10 / line 17 page 8)			3851
27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits (line 10 less item 4880 page 11 / line 17 page 8)			3854
28. Net capital in excess of: 5% of combined aggregate debit items or \$120,000			3920

OTHER RATIOS

Part C

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)			3860
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) / Net Capital			3852

Notes:

- (A) The minimum net capital requirements 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 of 2% of aggregate debits if alternative method used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes 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

BOSTON CABOT, LLC

Reconciliation of Computation of Net Capital
December 31, 2004

There were no material differences between the audited and unaudited computation of net capital under Rule 15C3-1.

BOSTON CABOT, LLC

Computation for Determination of Reserve Requirements
for Brokers and Dealers Pursuant to
Rule 15c3-3 under the Securities Exchange Act of 1934

December 31, 2004

The Company does not clear securities transactions or take possession or control of securities for customers and, therefore, is exempt from the possession or control and reserve requirements of Rule 15c3-3 under the Securities Exchange Act of 1934.

FAIRCLOTH & ASSOCIATES, LLC

ACCOUNTANTS AND AUDITORS

542 SOUTH DEARBORN STREET

CHICAGO, ILLINOIS 60605

**SUPPLEMENTAL REPORT ON
INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5**

To the Members
Boston Cabot, LLC
Chicago, Illinois

In planning and performing our audit of the financial statements of Boston Cabot, LLC (the "Company") for the year ended December 31, 2004 (on which we issued our report dated February 25, 2005), we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the Company's internal control.

Also, as required by Rule 17a-5(g)(1) under the Securities Exchange Act of 1934, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

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 judgments by management are required to assess the expected benefits and related costs of internal control and of the practices and procedures, and to assess whether those 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 acquisition, 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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

To the Members
Boston Cabot, LLC
Chicago, Illinois
Page 2

Because of inherent limitations in any internal control or the practices and procedures referred to above, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control or of such practices and procedures to future periods are subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with the practices or procedures may deteriorate.

Our consideration of the Company's internal control would not necessarily disclose all matters in the Company's 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 one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by 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 Company's internal control and its operation, 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 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 December 31, 2004 to meet the Commission's objectives.

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

Fairclark & Associates, LLC

Chicago, Illinois
February 25, 2005