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SECURITIES AND COMMISSION

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

SEC FILE NUMBER
8-28702

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 08/01/2014 AND ENDING 7/31/2015 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

OFFICIAL USE ONLY
FIRM I.D. NO.

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

Halcyon Cabot Partners, LTD

767 Third Avenue, 17th Floor

(No. and Street) New York, NY

10017

(City)

(State)

(Zip Code)

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

Gary Gettenberg

Telephone number (212)-668-8700

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Lerner & Sipkin CPAs LLP

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

132 Nassau Street, Suite 1023

New York NY

10038

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

X Certified Public Accountant

Public Accountant

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

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)

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OATH OR AFFIRMATION

I, RONALD HEINEMAN, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of HALCYON CABOT PARTNERS LTD., as of JULY 31, 2015, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, member, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

X [Signature]
Signature
[Title]
Title

x [Signature]
Notary Public

MARGERY NELL MURRIEL
Notary Public, State of New York
No. 01MU6247130
Qualified in Kings County
Commission Expires Aug. 22, 2018

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

- (x) (a) Facing page.
(x) (b) Statement of Financial Condition.
() (c) Statement of Operations.
() (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 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.
(x) (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.
(x) (o) Independent Auditors' Report.

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

**HALCYON CABOT PARTNERS, LTD**  
**STATEMENT OF FINANCIAL CONDITION**  
**JULY 31, 2015**

**ASSETS**

Cash and cash equivalents	\$ 269,140
Due from broker	141,656
Furniture & fixtures, net of depreciation of \$48,239	4,533
Other assets	<u>62,368</u>
Total assets	<u>\$ 477,697</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Liabilities:**

Accounts payable and accrued expenses	<u>\$ 352,767</u>
Total liabilities	<u>352,767</u>

**Commitments and Contingencies (Notes 4 and 5)**

**Stockholders' equity (Note 6)**

Common stock, no par value, 200 shares authorized, 10 shares issued and outstanding.	\$ 1,000
Additional paid-in capital	225,323
Deficit	<u>(101,393)</u>
Total stockholders' equity	<u>124,930</u>
Total liabilities and stockholders' equity	<u>\$ 477,697</u>

The accompanying notes are an integral part of this statement

**HALCYON CABOT PARTNERS, LTD.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JULY 31, 2015**

**Note 1 - Nature of Business**

Halcyon Cabot Partners, (The "Company") is a wholly owned subsidiary of Halcyon Partners Group, LLC (The "Parent") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA").

The Company operates under the provisions of Paragraph (k)(2) (ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clears all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer, and promptly transmits all customer funds and securities to the clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer.

**Note 2 - Summary of Significant Accounting Policies**

**a) Revenue Recognition**

Securities transactions (and the recognition of related income and expenses) are recorded on a trade date basis. Commission income and related income and expense are recorded on a settlement date basis. There is no material difference between settlement date and trade date.

**b) Income Taxes**

Deferred tax liabilities or assets reflect temporary differences between amounts of assets and liabilities for financial and tax reporting. Such amounts are adjusted, as appropriate to reflect changes in tax rates expected to be in effect when the temporary differences reverse. A valuation allowance is established for any deferred tax asset for which realization is not likely.

**c) Cash and Cash Equivalents**

The Company considers demand deposited money market funds to be cash equivalents. The Company maintains cash in bank account which, at times may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**d) Equipment**

Equipment is carried at cost and is depreciated over a useful life of 3-5 years using the straight-line methods. Routine maintenance, repairs and replacement cost are expensed as incurred and improvements that extend the useful life of the assets are capitalized.

**HALCYON CABOT PARTNERS, LTD.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JULY 31, 2015**

**e) Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

**f) Subsequent Events**

The Company has evaluated events and transactions that occurred between August 1, 2015 and September 24, 2015, which is the date the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

**Note 3 - Fixed Assets**

Fixed assets consist of the following at July 31, 2015:

Computers and Furniture	\$ 52,772
Less: Accumulated depreciation	<u>(48,239)</u>
	<u>\$ 4,533</u>

**Note 4 - Income Tax**

The Company has net operating loss carryforwards to offset the current year tax provision. At July 31, 2015 the Company had a net operating loss of approximately \$145,000 for income tax purposes. This carryforward will expire in 2032-2037. A valuation allowance of \$21,750 has been established to offset the deferred tax asset arising from this carryforward. Therefore, no deferred tax assets have been recorded on the accompanying statement of financial condition.

**Note 5 - Commitments**

**Office Lease**

The Company sublets its main premises under a lease expiring October 20, 2015. December 31, 2015. At July 31, 2015, the minimum rental commitment before escalations under the lease is as follows:

2015	\$	37,333
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The Company leases a second premises on a month to month basis at \$2,450 per month.

**HALCYON CABOT PARTNERS, LTD.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2015**

**Note 5 - Financial Statements with Off-Balance Sheet Credit Risk**

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company introduces these transactions for clearance to another broker-dealer on a fully disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers' ability to their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers. The company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker's internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions, when necessary.

**Note 6 - Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital 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 1500%. At July 31, 2015, the Company had net capital of \$58,028 which was \$23,518 in excess of its required net capital of \$34,510. The Company's net capital ratio was 607.92%.

**Note 7 - Litigation**

Near the end of its fiscal year two Statements of Claim ("SOCs") were filed against the Company, totaling approximately \$174,000, by customers of the Company. The SOCs seek damages resulting from alleged breach of fiduciary duty, fraud, failure to supervise and other violations of securities laws.

Management has indicated that it plans to vigorously contest these matters.

Both of these procedures are in their infancy and as such too premature to evaluate the likelihood of outcome or the estimated range of potential loss. Therefore, it is possible that the results of operations and financial position in a later period could be materially adversely affected upon the resolution of these procedures.

**HALCYON CABOT PARTNERS, LTD.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JULY 31, 2015**

**Note 7 - Litigation (continued)**

The Company is involved in other legal matters that arise in the normal course of business. Management is contesting all cases vigorously. Although management feels the outcome of these other open cases along with the potential for the Company to recover a portion or all of any losses through a claim with professional liability insurance carrier and/or indemnification provided by the Company by the registered representative are uncertain, management believes the matters are without merit. The financial statements do not reflect an accrual for any losses in these other matters. Accordingly, no provision for any liability that may result has been made in the financial statements. Nevertheless, due to uncertainties with the lawsuits, it is at least reasonably possible that management's view of the outcomes will change in the near future.

**HALCYON CABOT PARTNERS, LTD  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JULY 31, 2015**



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074

E-mail: LS@lerner&sipkin.com

**INDEPENDENT AUDITORS' REPORT**

To the Stockholders of  
Halcyon Cabot Partners, Ltd  
767 Third Avenue – 17<sup>th</sup> Floor  
New York, NY 10017

We have audited the accompanying statement of financial condition of **Halcyon Cabot Partners, Ltd.** (the Company) as of **July 31, 2015**. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

Management is responsible for the preparation and fair presentation of the statement of financial condition in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of financial condition that is free from material misstatement, whether due to fraud or error.

We conducted our audit in accordance with the standards of Public Company Accounting Oversight Board (United States). 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 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of **Halcyon Cabot Partners, Ltd.** as of **July 31, 2015** in conformity with accounting principles generally accepted in the United States.

*Lerner & Sipkin, CPAs, LLP*  
Lerner & Sipkin, CPAs, LLP  
Certified Public Accountants (NY)

New York, NY  
September 24, 2015

**HALCYON CABOT PARTNERS, LTD**

**Schedule of the Determination of SIPC Net Operating Revenues and  
General Assessment**

**For the year ended July 31, 2015**



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074  
E-mail: LS@lcrnersipkin.com

To the Stockholders of  
Halcyon Cabot Partners, LTD  
405 Lexington Avenue, 7<sup>th</sup> Floor  
New York, NY 10174

Gentlemen:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments to the Securities Investor Protection Corporation ("SIPC") for the year ended July 31, 2015, which were agreed to by Halcyon Cabot Partners, LTD. ("Company") and the Securities and Exchange Commission ("SEC"), Financial Industry Regulatory Authority, Inc. ("FINRA") and SIPC., solely to assist you in evaluating the Company's compliance with Rule 17a-5(e)(4). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed are as follows:

- 1- Compared the listed assessment payments with respective cash disbursement records entries, noting no exceptions;
- 2- Compared the amounts reported on the audited Form X-17A-5 for the year ended July 31, 2015, with the amounts reported in the General Assessment Reconciliation (Form SIPC-7) for the year ended July 31, 2015, noting no exceptions;
- 3- Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no exceptions;
- 4- Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no exceptions; and
- 5- Compared the amount of any overpayment applied with the Form SIPC-7 on which it was computed, noting no exceptions.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Lerner & Sipkin* CPAs LLP  
Lerner & Sipkin, CPAs, LLP (NY)  
September 24, 2015

**HALCYON CABOT PARTNERS, LTD.**  
**Schedule of the Determination of SIPC Net Operating Revenues and General Assessment**  
**For the year ended July 31, 2015**

**Determination of SIPC Net Operating Revenues:**

Total Revenues (FOCUS line 12/ Part IIA line 9)	\$ 6,338,312
Additions	-
Deductions	<u>(243,656)</u>
SIPC Net Operating Revenues	<u>\$ 6,094,656</u>

**Determination of General Assessment:**

SIPC Net Operating Revenues:	<u>\$ 6,094,656</u>
General Assessment @ .0025	<u>15,237</u>

**Assessment Remittance:**

Less: Payment made with Form SIPC 6 in February 2015	<u>(3,475)</u>
Assessment Balance Due	<u>\$ 11,762</u>

**Reconciliation with the Company's Computation of SIPC Net Operating Revenues for the year ended July 31, 2015:**

SIPC Net Operating Revenues as computed by the Company on Form SIPC-7	\$ 6,094,656
SIPC Net Operating Revenues as computed above	<u>6,094,656</u>
Difference	<u>\$ -</u>