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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**

SEC FILE NUMBER
6- 65284

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, 2003 AND ENDING December 31, 2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Integral Financial, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1072 S. De Anza Blvd, Suite #A 206
San Jose (No and Street) CA 95129
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Weiming Ho (408) 996-1118
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Kevin G. Breard, C.P.A - An Accountancy Corporation
(Name - if individual, state last, first, middle name)
9010 Corbin Avenue Suite 7 Northridge CA 91324
(Address) (City) (State) (Zip Code)

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

RECEIVED
FEB 09 2004
PROCESSED
FEB 20 2004
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)

DP 2-1
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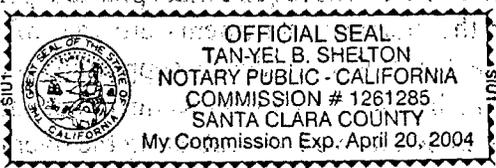
OATH OR AFFIRMATION

I, Weiming Ho, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Integral Financial, LLC, as of December 31, 2003, 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:

State of Calif
County of Santa Clara
Subscribed and sworn (or affirmed) to before me this 21 day of Jan, 04

Weiming Ho
Signature
President
Title

Joyful B. Melton
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 Cash Flows
- (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).

KEVIN G. BREARD, C.P.A.
AN ACCOUNTANCY CORPORATION

Independent Auditor's Report

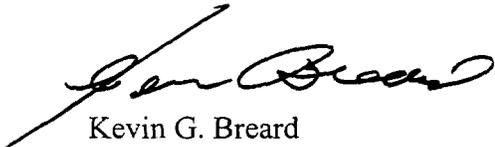
Board of Directors
Integral Financial, LLC

I have audited the accompanying statement of financial condition of Integral Financial, LLC as of December 31, 2003, and the related statements of income, changes in member's 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Integral Financial, LLC as of December 31, 2003, 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.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedules I-III are presented for purposes of additional analysis and is not required as part of the basic financial statements, but as supplementary information required by rule 17a-5 of the Securities and Exchange Commission. Such information has been subject to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respect in relating to the basic financial statements taken as a whole and in conformity with the rules of the Securities and Exchange Commission.


Kevin G. Breard
Certified Public Accountant

Northridge, California
January 12, 2004

NORTHRIDGE OFFICE PLAZA
9010 CORBIN AVENUE, SUITE 7

Integral Financial, LLC
Statement of Financial Condition
December 31, 2003

Assets

Cash	\$ 31,911
Receivables from broker-dealers	5,374
Deposits held at clearing firm	50,389
Furniture, fixtures and equipments, net of \$2,940 accumulated depreciation	8,850
Deposits	<u>1,600</u>
Total assets	<u>\$ 98,124</u>

Liabilities and Member's Equity

Liabilities

Accounts payable	\$ 2,583
Commissions payable	<u>2,193</u>
Total liabilities	4,776

Member's equity

Member's equity	<u>93,348</u>
Total member's equity	<u>93,348</u>
Total liabilities and member's equity	<u>\$ 98,124</u>

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

Integral Financial, LLC
Statement of Income
For the year ended December 31, 2003

Revenue

Commission revenue	\$ 72,405
Consulting revenue	39,224
Other	<u>15,038</u>

Total revenue 126,667

Expenses

Advertising	14,673
Commission expense	30,686
Rent	18,424
Other operating expenses	<u>41,757</u>

Total expenses 105,540

Income before income tax provision 21,127

Income tax provision

Income tax provision 800

Total income tax provision 800

Net income \$ 20,327

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

Integral Financial, LLC
Statement of Changes in Member's Equity
For the year ended December 31, 2003

	Member's Equity (Deficit)
Balance on January 1, 2003	\$ 88,021
Member's distributions	(15,000)
Net income	<u>20,327</u>
Balance on December 31, 2003	<u>\$ 93,348</u>

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

Integral Financial, LLC
Statement of Cash Flows
For the year ended December 31, 2003

Cash flows from operating activities:

Net income		\$ 20,327
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	\$ 2,221	
(Increase) decrease in:		
Receivables from broker-dealers	(5,374)	
Deposits	600	
(Decrease) increase in:		
Accounts payable	2,583	
Commission payable	<u>2,193</u>	
Total adjustments		<u>2,223</u>
Net cash and cash equivalents provided by operating activities		22,550

Cash flows from investing activities:

Deposit at clearing firm		(50,389)
Purchase of furniture and equipment	<u>(3,762)</u>	
Net cash and cash equivalents used in investing activities		(54,151)

Cash flows from financing activities:

Member distributions		<u>(15,000)</u>
Net cash and cash equivalents used in financing activities		<u>(15,000)</u>

Net decrease in cash and cash equivalents		(46,601)
Cash and cash equivalents at beginning of year		<u>78,512</u>
Cash and cash equivalents at end of year		<u>\$ 31,911</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for

Interest		\$ -
Income taxes		\$ 800

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

Integral Financial, LLC
Notes to Financial Statements
December 31, 2003

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Integral Financial, LLC (the "Company"), was incorporated in the State of California on February 2, 2002. The Company is registered as a broker-dealer with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD), and the Securities Investors Protection Corporation (SIPC).

The Company does not hold customer securities, and trades on a fully disclosed basis through Southwest Securities, Inc. Commission income consist of security traders of buys and sells. Consulting income consist of assisting brokers pass NASD exams.

Summary of Significant Accounting Policies

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

For purposes relating to the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company also includes money market accounts as cash equivalents.

Accounts receivables are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Furniture, fixtures and equipments are stated at cost. The Company depreciates its furniture, fixtures and equipment using the straight line method of depreciation over the property and equipment's useful lives of five to seven years.

Commission income and expenses are recorded on trade date basis.

Advertising costs are expensed as incurred.

The Company has elected to be a Partnership and accordingly has its income taxed under of the Internal Revenue Code, which provides that in lieu of corporate income taxes, the stockholders are taxed on the Company's taxable income. Therefore, no provision or liability for Federal income taxes is included in these financial statements. The State of California has similar regulations, although there exists a provision for a minimum Franchise tax and a gross receipt tax over the minimum Franchise fee of \$800

Integral Financial, LLC
Notes to Financial Statements
December 31, 2003

Note 2: DEPOSITS HELD AT CLEARING FIRM

The Company has deposited \$50,389 with Southwest Securities, Inc. as security for its transactions with them. Interest is paid monthly on the deposit at the average overnight repurchase agreement rate.

Note 3: FURNITURE, FIXTURES, AND EQUIPMENTS, NET

The furniture, fixtures, and equipments are recorded at cost.

		<u>Depreciable Life Years</u>
Furniture and fixtures	\$ 2,457	7
Equipments	<u>9,333</u>	5
	11,790	
Less accumulated depreciation	<u>(2,940)</u>	
Furniture, fixtures, and equipments, net	<u><u>\$ 8,850</u></u>	

Depreciation expense for the year ended December 31, 2003 was \$2,221.

Note 4: INCOME TAXES

As discussed in the Summary of Significant Accounting Policies (Note 1), the Company has elected the Partnership tax status, therefore no federal income tax provision is provided.

All tax effects of the partnership's income or loss are passed through to the partners individually. The company recorded \$800 in its tax provision in accordance with California limited partnership regulations.

Note 5: RENT EXPENSE

Current year rent expense consists of the following:

Office rent	<u><u>\$ 18,424</u></u>
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Integral Financial, LLC
Notes to Financial Statements
December 31, 2003

NOTE 6: RECENTLY ISSUED ACCOUNTING STANDARDS

In January 2003, the FASB issued Interpretation 46, *Consolidation of Variable Interest Entities*. In general, a variable interest entity is a corporation, partnership, trust, or any legal structure used for business purposes that either (a) does not have interest entity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. Interpretation 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The consolidation requirements of Interpretation 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to transactions entered into prior to February 1, 2003 in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply in all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The adoption of the Interpretation on July 1, 2003 did not have a material impact on the Company's financial statements.

In April 2003, the FASB issued SFAS 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities*, which amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS 133. The Statement is effective for contracts entered into or modified after June 30, 2003. The adoption of this Statement did not have a material impact on the Company's financial statements.

In May 2003, The FASB issued SFAS 150, *Accounting for Certain Financial Instruments with Characteristic of both Liabilities and Equity*. The Statement establishes standards for how an issuer classifies and measure certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer clarify a financial instrument that is within its scope as a liability (or an asset in some circumstances). It is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The adoption of this Statement did not have a material impact on the Company's financial statements.

Integral Financial, LLC
Notes to Financial Statements
December 31, 2003

Note 7: NET CAPITAL

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 8 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2003, the Company had net capital of \$81,890, which was \$31,890 in excess of its required net capital of \$50,000; and the Company's ratio of aggregate indebtedness (\$4,776) to net capital was 0.06 to 1, which is less than the 8 to 1 maximum ratio allowed for a first year broker/dealer.

Integral Financial, LLC
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of December 31, 2003

Computation of net capital

Member's equity	\$ 93,348	
Total Member's equity		\$ 93,348
Less: Non allowable assets		
Furniture, fixtures and equipments, net	(8,850)	
Prepaid expenses	<u>(1,600)</u>	
Total non-allowable assets		<u>(10,450)</u>
Net capital before haircuts		82,898
Less: Haircuts		
Haircuts on money market accounts	<u>(1,008)</u>	
Total Haircuts		<u>(1,008)</u>
Net Capital		81,890

Computation of net capital requirements

Minimum net capital requirements		
12 1/2 percent of net aggregate indebtedness	\$ 597	
Minimum dollar net capital required	<u>50,000</u>	
Net capital required (greater of above)		<u>(50,000)</u>
Excess net capital		<u>\$ 31,890</u>

Ratio of aggregate indebtedness to net capital 0.06: 1

There was no material difference between net capital shown here and net capital as reported on the Company's unaudited Form X-17A-5 report dated December 31, 2003.

Integral Financial, LLC
Schedule II - Computation for Determination of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2003

A computation of reserve requirement is not applicable to Integral Financial, LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

Integral Financial, LLC
Schedule III - Information Relating to Possession or Control
Requirements Under Rule 15c3-3
As of December 31, 2003

Information relating to possession or control requirements is not applicable to Integral Financial, LLC as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

Integral Financial, LLC
Supplementary Accountant's Report
on Internal Accounting Control
Report Pursuant to 17a-5
For the Year Ended December 31, 2003

KEVIN G. BREARD, C.P.A.
AN ACCOUNTANCY CORPORATION

Board of Directors
Integral Financial, LLC

In planning and performing my audit of the financial statements of Integral Financial, LLC for the year ended December 31, 2003, I considered its internal control structure, for the purpose for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission, I have made a study of the practices and procedures followed by Integral Financial, LLC including tests of such practices and procedures that I considered relevant to objectives 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 security accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons
2. Recordation 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 internal control structure and the practice 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 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 preparation of financial statements in conformity with generally accepted accounting principles. Rule 17-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.