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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  
8-69037

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 01/11/2014 AND ENDING 12-31-2014  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: INTERNATIONAL KBR FINANCE

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

712 5TH AVE 28TH FL

(No. and Street)

NYC  
(City)

NY  
(State)

10019  
(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

KPMG LLP

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

4 BECKER FARM ROAD

(Address)

ROSELAND

(City)

NJ

(State)

07068

(Code)

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
APR 29 2015  
17 REGISTRATIONS BRANCH

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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)

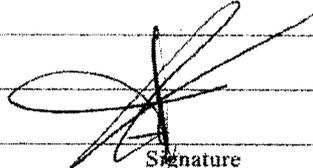
SEC 1410 (00-02)

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OATH OR AFFIRMATION

I, FLORIAN HARTMANN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of INTERNATIONAL KBR FINANCE, as of April 1, 2015, 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:

4/1/15  
NEW YORK, NY 10019



Signature

CEO

Title

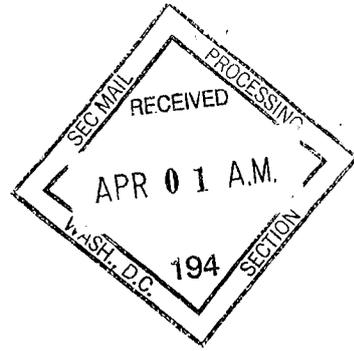
Kindbergh Kaitlin A  
Notary Public, State of New York  
No. 01K10320267, qualified in New York County

Kaitlin A Kindbergh  
Notary Public my commission expires March 2, 2019

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 Condition.
- (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 15c3-1 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 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).



**INTERNATIONAL KBR FINANCE LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AND**  
**REPORT OF**  
**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**  
**DECEMBER 31, 2014**

# INTERNATIONAL KBR FINANCE LLC

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**Report of Independent Registered Public Accounting Firm** 1

**Financial Statement**

Statement of Financial Condition 2

Notes to Statement of Financial Condition 3 - 7



**KPMG LLP**  
4 Becker Farm Road  
Roseland, NJ 07068

### **Report of Independent Registered Public Accounting Firm**

To International KBR Finance LLC:

We have audited the accompanying statement of financial condition of International KBR Finance LLC (the "Company") as of December 31, 2014. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the standards of the 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above presents fairly, in all material respects, the financial position of International KBR Finance LLC as of December 31, 2014, in conformity with U.S. generally accepted accounting principles.

As described in note 2 to the accompanying statement of financial condition of International KBR Finance LLC, member's equity as of December 31, 2013 has been restated to correct misstatements from the Company's previously issued financial statements, which were audited by other auditors.

**KPMG LLP**

March 31, 2015

# INTERNATIONAL KBR FINANCE LLC

## STATEMENT OF FINANCIAL CONDITION

**December 31, 2014**

### ASSETS

Cash	\$ 1,043,719
Property and equipment, net	234,954
Due from parent	58,701
Other assets	<u>64,758</u>
<b>Total Assets</b>	<b>\$ <u>1,402,132</u></b>

### LIABILITIES AND MEMBER'S EQUITY

#### Liabilities

Accounts payable and accrued expenses	195,012
Deferred rent	<u>103,914</u>
Total liabilities	298,926

<b>Member's equity</b>	<b><u>1,103,206</u></b>
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<b>Total Liabilities and Member's Equity</b>	<b>\$ <u>1,402,132</u></b>
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See accompanying notes to statement of financial condition.

# INTERNATIONAL KBR FINANCE LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION

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### 1. Nature of business and summary of significant accounting policies

#### *Nature of Business*

International KBR Finance LLC (the "Company") is a single member limited liability company wholly owned by KBR Corporate Finance Inc. (the "Parent"). The Company was established under the laws of the state of New York on April 1, 2011. The Company is registered as a securities broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA").

The Company operates under a chaperoning arrangement with Bankhaus Lampe ("BHL") in accordance with SEC Rule 15a-6a(3) for customers in the purchase and sale of foreign securities. The Company executes and clears all trades through Bankhaus Lampe.

#### *Basis of Presentation*

The statement of financial condition has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

The statement of financial condition was approved by management and is available for issuance on March 31, 2015. Subsequent events have been evaluated through this date.

#### *Property and Equipment*

Property and equipment is stated at cost less accumulated depreciation and amortization. All property and equipment is being depreciated on a straight-line basis over the estimated useful lives of the related assets. Amortization of leasehold improvements is computed on a straight-line basis over the estimated useful life of the asset or the term of the lease, whichever is shorter. The Company provides for depreciation and amortization as follows:

<b>Asset</b>	<b>Useful Life</b>	<b>Estimated Principal Method</b>
Furniture and fixtures	5 years	Straight-line
Computer equipment	3 years	Straight-line
Leasehold improvements	shorter of estimated life of asset or lease term	Straight-line

# INTERNATIONAL KBR FINANCE LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

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### 1. Nature of business and summary of significant accounting policies (continued)

#### Deferred rent

In accordance with GAAP, the Company recognizes rent expense on straight-line basis over the life of the lease. The effects of free rent and rental escalations over the life of the lease result in differences between the amounts expensed and the amounts paid. These differences are recorded as deferred rent on the statement of financial condition.

#### Income Taxes

The Company is a single member limited liability company and, accordingly is taxed as a disregarded entity and treated as a division of the Parent for income tax purposes. Pursuant to a tax sharing agreement, income taxes of the Company are computed on a separate company basis. The Company reimburses the Parent for taxes incurred and attributable to the Company's income reported on the Parent's tax returns, and overpayment of tax on behalf of the Parent are subject to reimbursement by the Parent. As of December 31, 2014 the Company had a balance of \$58,701 due from parent that arose from overpayments of tax obligations by the Company.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the period in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

ASC 740, *Accounting for Income Taxes*, prescribes accounting for and disclosure of uncertainty in tax positions. This interpretation defines the criteria that must be met for the benefits of a tax position to be recognized in the financial statements and the measurement of tax benefits recognized.

# INTERNATIONAL KBR FINANCE LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

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### 1. Nature of business and summary of significant accounting policies (continued)

The Company has no uncertain income tax positions or any interest or penalties associated with uncertain income tax positions. The Company is no longer subject to U.S. federal or state examinations by tax authorities for years before 2011.

#### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the amounts disclosed in the statement of financial condition. Actual results could differ from those estimates.

### 2. Restatement

The Company has restated its Member's Equity as of December 31, 2013 to correct errors identified in relation to an overstatement of fee revenue earned, and an under-accrual of legal and income tax expenses incurred in 2013. The correction resulted in a reduction of Member's Equity as of December 31, 2013 by \$116,616.

### 3. Customer transactions

In the normal course of business, the Company affects as agent, transactions on behalf of customers on a basis of either delivery or receipt versus payment. If these agency transactions do not settle due to failure to perform by either customer or the counterparty, the Company may be obligated to discharge the obligation of the non performing party and, as a result, may incur a loss if the market value of the securities is different from the contract amounts. The risk of loss to the Company is normally limited to differences in market values of the securities compared to their contract amounts.

# INTERNATIONAL KBR FINANCE LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

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### 4. Property and equipment

Details of property and equipment at December 31, 2014 are as follows:

Computer equipment	\$	113,155
Leasehold improvements		112,704
Furniture and fixtures		<u>108,505</u>
		334,364
Less accumulated depreciation and amortization		<u>99,410</u>
	\$	<u>234,954</u>

### 5. Net capital requirement

The Company, as a member of FINRA, is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1 and has elected to compute its net capital requirements in accordance with the Alternative Standard as permitted under Rule 15c3-1. Under this method, the Company's net capital shall not be less than \$250,000. At December 31, 2014, the Company had net capital of \$744,793, which exceeded the required minimum net capital by \$494,793.

### 6. Concentrations of credit risk and off balance sheet risk

The Company acts as an agent for institutional customers and other broker-dealers in the purchase and sale of foreign securities. The Company executes and clears all of these foreign trades through an unrelated contractually obligated clearing broker in Germany ("BHL"). These trades are settled on a basis of either delivery or receipt versus payment. The Company's commissions on foreign securities transactions are collected by BHL in exchange for a monthly fee as determined by a "Brokerage Service Agreement" between BHL and the Company. In the normal course of business, the Company's activities involve the execution and settlement of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event a counterparty is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss. The Company monitors the credit standing of all counterparties with which it conducts business. All open transactions at December 31, 2014 settled with no resultant loss being incurred by the Company. At December 31, 2014, there were no amounts due from BHL.

The Company maintains its cash balances in various financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution.

### 7. Related party transactions

The Company has an Expense Sharing Agreement with its Parent. In accordance with the Expense Sharing Agreement, the Company reimburses the Parent, on a monthly basis, for a proportional share of salaries and related expenses of personnel employed by the Parent.

# INTERNATIONAL KBR FINANCE LLC

## NOTES TO STATEMENT OF FINANCIAL CONDITION (continued)

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### 8. Commitments

The Company leases office space under a non-cancellable lease agreement which expires August 31, 2020. The future minimum annual payments, at December 31, 2014 under this agreement are approximately:

Year Ending December 31,	
2015	262,427
2016	272,520
2017	280,847
2018	302,548
2019	312,641
Thereafter	<u>208,427</u>
	<u>\$ 1,639,410</u>

### 9. Exemption from Rule 15c3-3

The Company is exempt from the Securities and Exchange Act of 1934 Rule 15c3-3 pursuant to the exemptive provision of the sub-paragraph (k)(2)(i).

### 10. Subsequent Events

For the period from January 1, 2015 through the date of issuance, distributions to the Parent of the Company amounted to \$110,000. The Company evaluated subsequent events or transactions that occurred from January 1, 2015 through March 31, 2015, the date the statement of financial condition was issued.