Registered number: 01976691

BGC INTERNATIONAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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BGC INTERNATIONAL

COMPANY INFORMATION

DIRECTORS	Mr J. R. Lightbourne (appointed 10 March 2016) Mr S. R. McMurray (appointed 14 April 2016) Mr S. A. Windeatt
COMPANY SECRETARY	Mr R. M. Snelling
REGISTERED NUMBER	01976691
REGISTERED OFFICE	One Churchill Place Canary Wharf London E14 5RD
INDEPENDENT AUDITOR	Ernst & Young LLP 25 Churchil Place Canary Wharf London E14 5EY

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements of BGC International ('BGCI' or the 'Company') for the year ended 31 December 2016.

BGCI, an unlimited company incorporated under the laws of England and Wales, is part of the global BGC Partners, Inc. group ('BGC Group'), which is comprised of BGC Partners, Inc. and its subsidiaries. BGC Partners, Inc. is part of the Cantor Fitzgerald, LP group ('Cantor Group'), which is comprised of Cantor Fitzgerald, LP, and its subsidiaries.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to US$582k (2015: US$98k).

DIRECTORS

The directors who served during the year were:

Mr M. A .J. Cooper (resigned 5 February 2016)
Mr A. G. Sadler (resigned 4 April 2016)
Mr J. R. Lightbourne (appointed 10 March 2016)
Mr S. R. McMurray (appointed 14 April 2016)
Mr S. A. Windeatt

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report. In addition, note 17 to the financial statements includes the Company's objectives, policies and processes around risk management; including credit, market, interest rate, liquidity, foreign exchange, operational and capital risks.

The Company participates in the BGC Group's centralised treasury arrangement, which manages liquidity on a daily basis, through which the Company has access to sufficient liquid assets to meet its liabilities as they fall due.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of approval of these financial statements. The Company will continue to earn interest on its deposits and dividend income on its investments. As such, the financial statements continue to be prepared on the going concern basis.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force at the date of approving the Directors' Report.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who was a director at the time when this Directors' Report is approved has confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- they have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

AUDITORS

Under Section 487(2) of the Companies Act 2006, Ernst and Young LLP, will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the Board of Directors and signed on its behalf by:

Mr S. R. McMurray
Director
Date: 13 JULY 2017

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

INTRODUCTION

The BGC Group is a leading global brokerage servicing the financial and real estate markets.

The Company's principal activity is an investment holding company and the Company earns income from its fixed asset investments.

BUSINESS REVIEW

BGC International is solely an investment holding company. The directors regard profit before tax US$585k (2015: US$ nil) and the underlying value of its investments US$16,452k (2015: US$15,522k) as the key performance indicators of the business.

Investments

On 15 February 2016, the Company purchased an additional 167,932 ordinary shares in LCH. Clearnet Group Limited at a cost of €10 per share for a total consideration of €1,679k (US$1,827k).

NYSE/ICE announced in October 2016 a five-for-one stock split of ICE's common stock in the form of a stock dividend, which started trading on a split-adjusted basis in November 2016. BGCI's holding of shares is now 3,025 (2015: 605).

Financial Performance

The profit for year amounted to US$582k (2015: US$98k). Income for the year arose from dividends from investments.

Interest payable and similar charges decreased by US$96k in comparison with 2015 due to the rent commitments related with operating leases having expired in 2016 without being renewed.

The total comprehensive income for the year is a loss of US$83k (2015: loss of US$3,011k) which includes a loss of US$897k (2015: loss of US$3,847k) related to the revaluation of available for sale investments.

Future Developments

The Company intends to continue as an investment holding company for the foreseeable future and will continue to earn income from its investments.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces credit, market, foreign exchange, liquidity, interest rate, operational and capital risks in the course of its normal business. The directors place reliance on the BGC Group's Risk Management function to manage and monitor risks as well as other related matters, and receive reports on specific risks that affect the Company. The Company relies on the policies and procedures established by the BGC Group to mitigate its exposure to the aforementioned risks. See note 17 to the financial statement for further details.

This report was approved by the Board of Directors and signed on its behalf by:

Mr S. R. McMurray
Director
Date: 13 JULY 2017

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless satisfied that they a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BGC INTERNATIONAL

We have audited the financial statements of BGC International for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BGC INTERNATIONAL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

James Hitchings (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor
Ernst & Young LLP

Date: 13 July 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 US$000	2015 US$000
Income from fixed asset investments	3	726	186
Administrative expenses	5	(122)	(72)
Operating profit		604	114
Interest receivable and similar income		-	1
Interest payable and similar charges	6	(19)	(115)
Profit on ordinary activities before taxation		585	-
Tax on profit on ordinary activities	7	(3)	98
Profit for the financial year		582	98
Other comprehensive loss for the year			
Revaluation of available for sale investments		(897)	(3,847)
Deferred tax credit on revaluation of available for sale investments	7	232	738
Other comprehensive loss for the year		(665)	(3,109)
Total comprehensive loss for the year		(83)	(3,011)

The notes on pages 10 to 25 form part of these financial statements.

All amounts relate to continuing operations.

BGC INTERNATIONAL
REGISTERED NUMBER:01976691

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note		2016 US$000		2015 US$000
Fixed assets					
Investments	8		16,452		15,522
			16,452		15,522
Current assets					
Debtors: amounts falling due within one year	9	6,401		8,697	
Cash at bank and in hand		430		25	
		6,831		8,722	
Creditors: amounts falling due within one year	10	(1,848)		(1,928)	
Net current assets			4,983		6,794
Total assets less current liabilities			21,435		22,316
Provisions for liabilities	12	(1,105)		(1,903)	
			(1,105)		(1,903)
Net assets			20,330		20,413
Capital and reserves					
Called up share capital	12		19,308		19,308
Revaluation reserve			5,380		6,045
Retained earnings			(4,358)		(4,940)
Total shareholders' funds			20,330		20,413

The notes on pages 10 to 25 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr S. R. McMurray
Director
Date: 17 JULY 2017

BGC INTERNATIONAL

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total shareholders' funds
	US$000	US$000	US$000	US$000
At 1 January 2016	19,308	6,045	(4,940)	20,413
Comprehensive income for the year				
Profit for the year	-	-	582	582
Other comprehensive income	-	(665)	-	(665)
At 31 December 2016	19,308	5,380	(4,358)	20,330

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Revaluation reserve	Profit and loss account	Total shareholders' funds
	US$000	US$000	US$000	US$000
At 1 January 2015	19,308	9,154	(5,038)	23,424
Comprehensive income for the year				
Profit for the year	-	-	98	98
Other comprehensive income	-	(3,109)	-	(3,109)
At 31 December 2015	19,308	6,045	(4,940)	20,413

The notes on pages 10 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF COMPLIANCE

BGC International (the "Company" or "BGCI") is an unlimited company, registered in England and Wales. Its registered office is 1 Churchill Place, London, E14 5RD. The principal accounting policies for the Company are summarised below. They have all been applied consistently throughout the year and preceeding year.

2. ACCOUNTING POLICIES

2.1 Basis of preparation and change in accounting policy

The financial statements have been prepared under the historical cost convention on the basis that the Company is a going concern unless otherwise specified within these accounting policies and in accordance with UK GAAP, including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006, and, where applicable, with International Accounting Standard 39 (IAS 39).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

2.2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors of the Company to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilites as at the date of the statement of financial position and amounts reported for revenues and expenses during the year. However, the nature of estimation means the actual outcome could differ from those estimates.

The Company has identified the following judgement:

Investments
Management estimate the fair value of the unlisted available for sale investments that the Company holds. The fair value is based on the last traded price of the investment.

2.3 Consolidation exemption

BGCI has not prepared consolidated financial statements. Paragraph 9.3 of FRS 102 permits the Company to apply the exemption, as outlined in section 401 of the Companies Act 2006, in not preparing consolidated financial statements. BGCI and its subsidiaries are included in the publicly available consolidated financial statements of BGC Partners, Inc.

2.4 Functional and presentation currency

The financial statements are prepared in US Dollars, which is the currency of the primary economic environment in which the Company operates, and are rounded to the nearest US$'000.

2. ACCOUNTING POLICIES (continued)

2.5 Foreign currencies

Transactions in currencies other than US Dollars are recorded at the average rate for the month in which the transactions occurred.

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the balance sheet date. Translation differences are recognised in the Statement of Comprehensive Income.

	31 December 2016	31 December 2015
GBP	1.236	1.474
EUR	1.055	1.086

2.6 Cash flow statement

Under FRS 102, the Company is exempt from preparing a cash flow statement being a member of the BGC Group. The BGC Group prepares publicly available consolidated financial statements including cash flow statement which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and the Company is included in the BGC Group's consolidated financial statements.

2.7 Income from fixed asset investments

Investment income is recognised when the right to receive payment is established to the extent that economic benefits will flow to the Company and the investment income can be reliably measured.

2.8 Investment in associated undertakings

Investments in associated undertakings are stated at cost less any impairment. They are reviewed for impairment at least annually or whenever events or circumstances indicate that the carrying amount may not be recoverable.

2.9 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Deferred taxation

Deferred tax is recognised in respect of all timing differences, which occur between the Company's taxable profits and total comprehensive income, arising from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. ACCOUNTING POLICIES (continued)

2.11 Financial instruments

Recognition
The Company determines the classification of its financial instruments at initial recognition depending on the purpose for which the financial instruments were acquired and their characteristics, in accordance with the categories outlined below. When financial instruments are recognised initially, they are measured at fair value.

Determination of fair value
Fair value is determined by reference to third party market values where available. Where the Company has assets and liabilities with offsetting market risks, mid-market prices have been used as a basis for establishing the fair values of those positions. Bid prices are used for long positions and offer prices for short positions.

Where there is no underlying active market, the fair value is determined using proprietary pricing models which apply appropriate valuation techniques and consider the impact of post period end settlement prices.

The Limited Partnership uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

(i) Financial instruments at amortised cost

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These amounts are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying value and the estimated future cash flows deriving from the continued use of that asset and discounted if the effect is material.

(ii) Financial instruments at fair value through comprehensive income

Financial instruments classified as held for trading or designated as such on inception, are included in this category and relate to currency swap derivative financial instruments within trade debtors and trade creditors as shown in the Statement of Financial Position. Financial instruments are classified as held for trading if they are acquired for the purpose of reselling.

The financial instruments are initially recognised at fair value on the date on which a contract is entered into. They are subsequently carried in the Statement of Financial Position at fair value with gains or losses recognised in the Statement of Comprehensive Income.

(iii) Available for sale investments

Available for sale investments are those non-derivative financial assets that are designated as avalaible for sale or cannot be classified in any of the two preceding categories and are initially recognised at fair value. Gains and losses arising from the changes in fair value are recognised in

2. ACCOUNTING POLICIES (continued)

other comprehensive income via the available for sale reserve until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss is recognised and is included in the profit and loss account for the period, the available for sale reserve having first been reversed. Available for sale investments in equity instruments that do not have a quoted market price in an active market or whose fair value cannot be reliably measured, are measured at cost. When the investment is disposed of, the cumulative gain or loss previously recognised in the Statement of Comprehensive Income under other operating income or other operating expenses.

Dividends earned whilst holding available for sale investments are also recognised in the Statement of Comprehensive Income.

Derecognition
A financial asset is considered for derecognition when the contractual rights from the financial asset expire, or when the contractual right to benefit from the future cash flow of that asset has been transferred. The Company derecognises a financial asset when it substantially transfers all the risks and rewards of ownership.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. In circumstances where a financial liability is replaced by the same lender yet the contractual terms are substantially different or modified, the original financial liability will be derecognised at the point of contractual exchange and the new financial liability recognised.

Impairment of financial assets not held at fair value through profit and loss
The Company assesses at each Statement of Financial Position date, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered impaired if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the Statement of Financial Position date. In addition, evidence of impairment requires that loss event to have had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks to the specific asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Statement of Comprehensive Income.

2.12 Interest income and expenses

Interest income and expense is recognised in the Statement of Comprehensive Income, using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

2.13 Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, arising from a past event that is measurable and it is probable that an outflow of economic benefits will be required to settle that obligation. Provisions are measured at the Company's best estimate of the expenditure required to settle the obligation at the balance sheet date taking into account relevant risks and uncertainties and they are discounted to present value. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability.

2. ACCOUNTING POLICIES (continued)

2.14 Operating leases

Rental expenses and sub lease rental income under operating leases are recognised within the Statement of Comprehensive Income on a straight line basis over the lease term.

3. INCOME FROM FIXED ASSET INVESTMENTS

	2016 US$000	2015 US$000
Dividend income on equity investments	559	140
Income from investments	167	46
	726	186

4. DIRECTORS' AND EMPLOYEES

The Company had no employees during 2016 or 2015.

	2016 US$000	2015 US$000
Directors' remuneration	2	2
Remuneration of the highest paid director	1	1

Directors' remuneration for 2016 and 2015 was borne by a fellow BGC Group entity and not recharged to the Company.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 US$000	2015 US$000
Foreign exchange (gain)loss	16	45
The analysis of auditor's remuneration is as follows:		
Fees payable to the Company's auditor for the audit of Company's annual financial statements	41	50

The auditor's remuneration for 2016 and 2015 was borne by a fellow BGC Group entity and not recharged to the Company. No other fees were paid to the auditor in relation to the Company (2015: US$nil).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 US$000	2015 US$000
Other interest expense	-	35
Unwinding of discount on onerous lease provision	19	80
	19	115

7. TAXATION

	2016 US$000	2015 US$000
(i) Tax on profit on ordinary activities:		
Analysis of tax charge/(credit) in the year:		
Current tax:		
UK corporation tax on profits for the period	-	4
Adjustment in respect of prior periods	3	(102)
Current tax charge/(credit) for year	3	(98)
Tax on profit on ordinary activities	3	(98)
(ii) Tax on other comprehensive income:		
Deferred tax:		
Deferred tax current year credit	(232)	(738)
Tax credit on other comprehensive income	(232)	(738)

TAXATION (continued)

Factors affecting tax charge for the year

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2016 US$000	2015 US$000
Profit on ordinary activities before tax	585	-
Tax on profit at standard UK tax rate of 20.00% (2015: 20.25%)	117	-
Effects of:		
Income not taxable	(106)	(5)
Losses carried forward	20	-
Adjustment from previous periods	3	(102)
Partnership (losses)/profits	(31)	9
Current tax charge/(credit) for the year	3	(98)

Factors that may affect future tax charges

The effective statutory corporation tax rate for the year ended 31 December 2016 is 20.00%. Finance Act 2016 which was substantively enacted on 6 September 2016 confirmed that the rate of corporation tax will reduce to 19.00% from 1 April 2017 and to 17.00% from 1 April 2020. An 18.00% rate has been applied to calculate the deferred tax liability as at 31 December 2016.

DEFERRED TAX LIABILITIES

	2016 US$000	2015 US$000
Movement on deferred taxation balance in the year:		
At the begining of the year	1,337	2,075
(Credit)/charge to equity	(232)	(738)
At 31 December 2016	1,105	1,337
Deferred tax on available for sale investments	1,105	1,337

8. INVESTMENTS

	Investments in associated undertakings	Available for sale investments - Listed	Available for sale investments - Unlisted	Total
	US$000	US$000	US$000	US$000
Cost or valuation				
At 1 January 2016	6,916	155	15,026	22,097
Additions	-	-	1,827	1,827
Revaluations	-	16	(913)	(897)
At 31 December 2016	6,916	171	15,940	23,027
Impairment				
At 1 January 2016 and December 2016	6,547	-	28	6,575
At 31 December 2016	6,547	-	28	6,575
Carrying value				
At 31 December 2016	369	171	15,912	16,452
At 31 December 2015	369	155	14,998	15,522

Available for sale investments

The carrying value of unlisted available for sale investments held at cost less impairment is US$30k (2015: US$30k), all other available for sale investments, listed and unlisted, are carried at fair value.

Investments in associated undertakings includes capital contributions to the following limited partnership:

Name	Holding	Nature of business	Country	Registration
BGC International LP	77.0%	Servicing entity	U.K.	England and Wales

As per the partnership agreement, BGCI has a non-controlling interest in BGC International LP and therefore it is not consolidated into the Company's financial statements. Under the partnership agreement, BGCI is entitled to 0.01% of the retained surplus of BGC International LP. Any losses are fully allocated to other partners' capital in the first instance. Once the other partners' capital has been fully utilised to absorb losses, any remaining losses incurred by BGC International LP are charged against BGC International's capital account.

9. DEBTORS

	2016 US$000	2015 US$000
Trade debtors	28	32
Amounts owed by group companies	2,980	5,016
Other debtors	3,308	3,551
Corporation tax receivable	85	98
	6,401	8,697

The directors consider the carrying value of debtors approximates to their fair value.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 US$000	2015 US$000
Trade creditors	664	664
Other taxation and social security	352	365
Other creditors	815	882
Accruals and deferred income	17	17
	1,848	1,928

The directors consider the carrying value of creditors falling due within one year approximates to fair value.

11. PROVISIONS FOR LIABILITIES

	Provisions for onerous lease commitment US$000	Deferred tax provisions US$000	Total US$000
At 1 January 2016	566	1,337	1,903
Provided during the year	-	299	299
Utilised during the year	(551)	(531)	(1,082)
Unwind of discount	20	-	20
Foreign exchange gain	(35)	-	(35)
	-	1,105	1,105

Onerous lease provision

The provision for onerous lease commitments has been calculated for a property vacated during 2006 by reference to discounted expected future net cash flows relating to the property. The lease term expired in September 2016 and the provision was fully utilised during the year.

Deferred tax provision

The provision for deferred tax has been calculated in relation to the revaluation of the available for sale investment using the tax rate applicable in the year. The net timing differences between taxable profits and accounting profits, that have arisen as a result of the inclusion of the revaluation of available for sale investment, are recognised within the other comprehensive income.

	2016 US$000	2015 US$000
Maturity profile of provisions:		
Current (less than one year)	-	566
Non-current (more than one year)	1,105	1,337
Total	1,105	1,903

12. SHARE CAPITAL

	2016 US$000	2015 US$000
Allotted, called up and fully paid		
11,280,806 (2015: 11,280,806) Ordinary shares of £1 each	19,308	19,308

13. COMMITMENTS UNDER OPERATING LEASES

	2016 US$000	2015 US$000
Within 1 year	-	4,381
	-	4,381

Operating leases contractualized by the Company expired in September 2016 and were not renewed, as such there are no commitments of this nature at the end of the financial year.

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with other BGC Group entities that are directly or indirectly wholly owned by BGC Partners, Inc., whose financial statements are publicly available. BGC Partners, Inc. is partially owned by Cantor Fitzgerald, LP, the ultimate controlling party of the BGC Group.

During the year, the Company entered into transactions, in the ordinary course of business with other members of the Cantor Group for which it was charged US$1k (2015: US$2k).

The Company enters into derivative transactions with Cantor Fitzgerald Europe, details of which are provided in note 15. Related party transactions requiring disclosure are as follows:

	2016 US$000	2015 US$000
Amount due from related party		
Entities with control over the Company	2,980	5,380
Other affiliated entities	1,000	-
Total	3,980	5,380
Amount due to related party		
Entities with control over the Company	-	-
Other affliated entities	-	-
Total	-	-

Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals is disclosed in note 4 above.

15. DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilises the following derivative instruments for funding purposes:

	Contract or underlying principal amount US$000	Fair Value Asset US$000	Fair Value Liability US$000
2016			
Currency swaps	3,094	28	-
	3,094	28	-

2015			
Currency swaps	1,963	33	(1)
	1,963	33	(1)

Changes in the fair value of the financial assets and liabilities are recorded within administrative expenses in the Statement of Comprehensive Income.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following fair value measurement hierarchy is used for financial statements that are measured in the Consolidated Statement of Financial Position at fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	2016 US$000	2015 US$000
Level 1		
Listed available for sale investments	171	155
Total Level 1	171	155
Level 2		
Derivative financial instruments - assets	28	33
Derivative financial instruments - liabilities	-	(1)
Unlisted available for sale investments	-	3,184
Total Level 2	28	3,216
Level 3		
Unlisted available for sale investments	15,912	11,814
Total Level 3	15,912	11,814

Total	16,111	15,185

Derivative financial instruments

The currency swaps are derivative financial instruments valued using a valuation technique with market observable inputs. The valuation technique uses forward pricing and swap models applying present value calculations. The model incorporates various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Derivative financial assets and liabilities are held at the net fair value at counterparty level. The net fair value of the derivative financial assets and liabilities, if a total asset, is included in other debtors (see note 9) and is designated as fair value through P&L financial assets. The net fair value of the derivative financial assets and liabilities, if a total liability, is included in other creditors (see note 10) and is designated as fair value through P&L.

Available for sale investments

Listed available for sale investments are held at fair value and valued using quoted market prices. Unlisted available for sale investments held at fair value are valued using the last traded price of the investment.

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value:

	At 1 January 2016 US$000	Additions at cost US$000	Fair value reclass US$000	(Loss) recorded in reserves US$000	At 31 December 2016 US$000
Financial investments available-for-sale					
Unlisted equity investments	11,814	1,827	3,184	(913)	15,912
	11,814	1,827	3,184	(913)	15,912

In the table above US$3,184k were reclassified to fair value level 3 (2015: reported as level 2 in terms of fair value hierarchy) as there is no recent transactional information and this is an unlisted investment.

There were no gains or losses on level 3 financial instruments included within income from fixed assets investments in the Statement of Comprehensive Income for the period. The sensitivity of the level 3 investments' carrying value has been determined by varying key inputs to the valuation model. For unquoted equity investments, the Company considered the effect of a movement in the fair value by 10%, which is considered by the Company to be a reasonably possible alternative assumption. The carrying value of the level 3 investments would change by US$1,591k (2015: US$1,181k) for a 10% movement in the net assets of the underlying companies.

17. RISK MANAGEMENT

Risk is inherent in the Company's activities but is carefully managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and controls. This process of risk management is critical to the Company's continuing business. The Company is exposed to credit, market, foreign exchange, interest rate, liquidity, operational and capital risks in the course of its normal business.

BGC Group entities are exempt from preparing certain of the FRS 102 (Financial Instruments Disclosures) disclosures because of equivalent disclosures in the consolidated financial statements of BGC Partners, Inc., which are publicly available.

The directors place reliance on the BGC Group's Risk Management function and receive reports on specific risks affecting the Company.

Credit Risk

Credit risk is the risk of loss from a customer default. As the Company acts as an investment holding company, its credit risk is mitigated because it does not trade. The directors do not consider the receivables to be past due or impaired and that the carrying value of the financial assets best represents the maximum credit risk exposure at the balance sheet date.

Market Risk

The Company faces market price risk arising from uncertainties about future values in respect of its available for sale investments. The effect of a 10% movement in the underlying valuation of its listed and unlisted available for sale investments, assuming all other factors remain constant, would be a US$1,608k (2015: US$1,516k) change in shareholders' funds. There would be no material impact on comprehensive income unless a decline in valuation was prolonged and an investment's carrying value exceeded its recoverable amount.

Foreign Exchange Risk

The Company is exposed to risk associated with changes in foreign exchange rates. Changes in the translation of the Company's monetary net assets are recorded as part of its operating results and fluctuate with changes in exchange rates.

Based on the Statement of Financial Position, a 1% foreign exchange movement for all non-US currencies against the US Dollar, with all other variables held constant, would result in an increase or decrease in the profit and loss account and a corresponding increase or decrease in shareholders' funds as at the balance sheet date by US$83k (2015: US$1k).

Liquidity Risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. Liquidity risk can arise from mismatching in the timing of cash flows.

Aside from net current assets, the remainder of the assets tend to be investments and loans to associated undertakings, which are illiquid and are funded by share capital.

As at 31 December 2016, the Company had non-derivative financial liabilities with maturities of less than 1 year totaling US$681k (2015: US$681k). Derivative financial instruments are settled within one year of the balance sheet date on a net basis and are included in trade debtors and trade creditors, dependant on the total net fair value.

The Company has sufficient liquid assets to meet its liabilities as they fall due. Liquidity is managed on a day-to-day basis by the BGC Group treasury department, and the Company participates in the BGC Group's centralised treasury arrangement.

RISK MANAGEMENT (continued)

Interest rate risk profile of financial assets and liabilities

Certain financial assets and liabilities of the Company are exposed to interest rate changes as a result of contractual re-pricing. The carrying value of interest bearing monetary assets and liabilities have been classified according to the earliest date at which the interest rate may change:

	Less than 1 year US$000	Non-interest bearing US$000	Total US$000
31 December 2016			
Cash at bank and in hand	430	-	430
Amounts owed by other group undertakings	-	2,980	2,980
Other financial assets	-	3,336	3,336
Other financial liabilities	-	(681)	(681)
Total	430	5,635	6,065
31 December 2015			
Cash at bank and in hand	25	-	25
Amounts owed by other group undertakings	-	5,016	5,016
Other financial assets	-	3,583	3,583
Other financial liabilities	-	(681)	(681)
Total	25	7,918	7,943

Other financial assets and liabilities include other debtors and accruals and deferred income, details of which can be found in notes 9 and 10.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The intercompany loans are carried at amortised cost and are issued and redeemed at par with maturity in less than five years and are therefore not affected by any significant interest rate risk. Given that the Company's only other interest bearing asset is cash and that it has no interest bearing liabilities at the year end, the impact of an adverse movement in interest rates on the future cash flow of the entity is expected to be immaterial given the current low interest rates (2015: immaterial).

Operational Risk

Operational risk is the risk of loss, resulting from inadequate or failed internal processes, people and systems, or from external events. When controls fail to perform, operational risks can cause damage to reputation, have regulatory and legal implications or lead to financial loss. The Company cannot expect to eliminate all operational risks, but by implementing a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation controls, reconciliation procedures, various assessment processes and the use of Internal Audit.

The Company has placed reliance on the Risk Management Function of the BGC Group to establish comprehensive control and governance structures to ensure that the risks faced by the BGC Group are managed carefully.

RISK MANAGEMENT (continued)

Capital Risk Management

The Company maintains an adequate capital base to cover risks inherent in the business. The primary objective of the Company's capital risk management is to ensure that the Company will be able to continue as a going concern. The capital structure consists of called up share capital, as disclosed in note 12, the revaluation reserve and retained earnings, as disclosed in the Statement of Changes in Equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of distributions paid or request additional capital contributions from its parent entity.

	2016 US$000	2015 US$000
Called up share capital, available for sale reserve and retained earnings	20,330	20,413

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent and controlling party is BGC International Holdings, LP, which is registered in the United States of America. The ultimate controlling party is Cantor Fitzgerald, LP, which is registered at 499 Park Avenue, New York, NY 10022, United States of America.

The smallest group to make its financial statements publicly available into which the results of the Company are consolidated is BGC European Holdings LP, a limited partnership registered in England and Wales. The largest group into which the results of the Company are consolidated is Cantor Fitzgerald, L.P.