Registered number: 01976691

BGC INTERNATIONAL

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

BGC INTERNATIONAL

COMPANY INFORMATION

DIRECTORS	Mr D Barnard (resigned 17 April 2015) Mr M A J Cooper Mr A G Sadler 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 One More London Place London SE1 2AF

BGC INTERNATIONAL

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements of BGC International ('BGCI' or the 'Company') for the year ended 31 December 2014.

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 a member of the Cantor Fitzgerald, LP group ('Cantor Group'), which is comprised of Cantor Fitzgerald, LP, and its subsidiaries.

RESULTS

The profit for the year, after taxation, amounted to US$847k (2013: US$10,468k).

DIRECTORS

The directors who served during the year were:

Mr D Barnard (resigned 17 April 2015)
Mr M A J Cooper
Mr A G Sadler
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 23 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 has sufficient cash to meet its liabilities as they fall due. Liquidity is managed on a day-to-day basis by the BGC Group's treasury department and the Company participates in the BGC Group's centralised treasury arrangement.

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

So far as each person who was a director of the Company at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that ought to have been taken as a director in order to make himself aware of any relevant audit information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

BGC INTERNATIONAL

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

AUDITOR

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:

A. /. Sadler

Mr A G Sadler
Director
Date: 12/05/15

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

The BGC Group is a full service inter-dealer broker which specialises in broking over-the-counter financial products and related derivative products.

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

BUSINESS REVIEW

Results

The profit for the year amounted to US$847k (2013: US$10,468k) which has been taken to reserves. Income arose from interest on intercompany loans and dividends from investments.

The total recognised gains for the year amounted to US$298k (2013: gain of US$12,392k), which includes a loss of US$549k (2013: gain of US$1,924k) related to the revaluation of available for sale investments.

Principal trading activity

In the prior year the company ceased its activity of recharging other BGC and Cantor Group entities for the use of its fixed assets and became solely an investment holding company.

Amounts owed by group undertakings and reduction of share capital

On 20 February 2014, unsecured loans of US$114,000k to BGC European Holdings LP were repaid and the Company received a repayment of capital for US$70,000k from BGC International LP ('BGCILP'), an associated undertaking. On the same day, the members of the Company resolved to reduce its issued share capital by 107,503,023 Ordinary shares of £1 each, by canceling and extinguishing those shares and then distributing US$184,000k to the members.

During the year, the Company earned interest on its loans to group undertakings of US$1,076k (2013: US$6,977k), see note 7. The decrease is a result of loans to BGC European Holdings LP being repaid in February 2014, as noted above.

Investments

BGCI holds an equity investment in BGC International LP, an associated BGC Group undertaking. On 20 February 2014, the Company received a repayment of capital for US$70,000k from BGCILP. In the prior year, US$1,590k of the historic provision against the value of this investment was reversed due to an increase in the investment's recoverable amount.

On 11 March 2014, the Company acquired an additional 1,359 shares in Euroclear PLC at a cost of €600 per share for a total consideration of US$1,132k. The shares were acquired from Htamretfa Limited (formerly Dolmen Securities Limited), a Cantor Group company registered in the Republic of Ireland.

On 19 March 2015, the Company purchased an additional 720 ordinary shares in Euroclear PLC at a cost of €650 per share for a total consideration of US$498k.

Onerous lease provision

During the year, the Company was charged US$4,985k (2013: US$4,860k) of rent in relation to its property operating lease of which US$3,541k (2013: US$3,925k) was recharged to sub-tenants and US$1,444k (2013: US$935k) was offset by unwinding of the onerous lease provision. Additionally in 2014, the onerous lease provision decreased by US$82k (2013: increase of US$1,035k). The decrease was a result of the early termination of one of the leased floor spaces.

BGC INTERNATIONAL

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

Future developments

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

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 23 to the financial statements for further details.

The Company faces only market risk directly, relating to the value of its investments. However the Company is exposed to further credit and liquidity risk indirectly from the BGC group entity that it lends to.

KEY PERFORMANCE INDICATORS

As the Company is an investment holding company, the directors regard profit before tax and the underlying value of its investments as the key performance indicators of the business.

In 2014 the Company made a profit before tax of US$1,181k (2013: US$7,475k). The net value of investments is US$18,864k (2013: US$88,281k).

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

Mr A G Sadler A. /. Sadler
Director
Date: 12/05/15

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors are responsible for preparing the Directors' report, Strategic 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 proper 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 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, set out on page 5, 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 Annual Report and Financial Statements 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 2014 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BGC INTERNATIONAL

Matters on which we are required to report by exception

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 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

Simon Michaelson (Senior Statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 13/05/2015

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 US$000	2013 US$000
TURNOVER	2,3		
Discontinued operations		-	243
Administrative expenses	3	134	577
OPERATING PROFIT	4		
Continuing operations		134	799
Discontinued operations		-	21
		134	820
Income from fixed asset investments	5	99	101
Interest receivable and similar income	7	1,148	6,987
Interest payable and similar charges	8	(200)	(433)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,181	7,475
Tax on profit on ordinary activities	9	(334)	2,993
PROFIT FOR THE FINANCIAL YEAR	17	847	10,468

The notes on pages 11 to 28 form part of these financial statements.

BGC INTERNATIONAL

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 US$000	2013 US$000
RETAINED PROFIT FOR THE FINANCIAL YEAR	17	847	10,468
Revaluation of available for sale investments	11,17	(549)	1,924
TOTAL RECOGNISED GAINS RELATING TO THE YEAR		298	12,392

The notes on pages 11 to 28 form an integral part of these financial statements.

BGC INTERNATIONAL
REGISTERED NUMBER: 01976691

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	US$000	2014 US$000	US$000	2013 US$000
FIXED ASSETS					
Investments	11		18,864		88,281
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	12	-		40,000	
Debtors: amounts falling due within one year	12	7,968		78,215	
Cash at bank and in hand		2,794		18,833	
		10,762		137,048	
CREDITORS: amounts falling due within one year	13	(2,782)		(13,362)	
NET CURRENT ASSETS			7,980		123,686
TOTAL ASSETS LESS CURRENT LIABILITIES			26,844		211,967
PROVISIONS FOR LIABILITIES					
Other provisions	15		(1,345)		(2,766)
NET ASSETS			25,499		209,201
CAPITAL AND RESERVES					
Called up share capital	16		19,308		203,308
Available for sale reserve	17		11,229		11,778
Profit and loss account	17		(5,038)		(5,885)
SHAREHOLDERS' FUNDS	18		25,499		209,201

The notes on pages 11 to 28 form an integral part of these financial statements.

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

A. /. Sadler

Mr A G Sadler
Director
Date: 12/05/15

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

The principal accounting policies are described below:

1.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention, as modified by the inclusion of financial instruments which are held at fair value.

1.2 Consolidation exemption

BGCI has not prepared consolidated financial statements. Paragraph 21 of FRS 2 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.

1.3 Functional currency

The financial statements are prepared in US Dollars, which is the currency of the primary economic environment in which the Company operates.

1.4 Foreign currencies

Transactions in currencies other than US Dollars are recorded at the month end 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 profit and loss account.

The balance sheet rate used to convert GBP to USD at 31 December 2014 was 1.559 (2013: 1.656).

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost, being their purchase price together with any incidental cost of acquisition, less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives at the following rates per annum:

Motor vehicles	-	33%

1. ACCOUNTING POLICIES (continued)

1.6 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. Financial instruments are recognised on a trade date basis.

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.

(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 and include other debtors and loans to BGC Group undertakings. These amounts are initially recognised at fair value and are subsequently measured at amortised cost when the time value of money is material, using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account 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 profit or loss

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 balance sheet. 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 balance sheet at fair value with gains or losses recognised in the profit and loss account.

1. ACCOUNTING POLICIES (continued)

(iii) Available for sale investments

Available for sale investments are those non-derivative financial assets that are designated as available for sale or are not 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 directly in equity 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 total recognised gains and losses is recognised in the profit and loss account under other operating income or other operating expenses.

Dividends earned whilst holding available for sale investments are also recognised in the profit and loss account.

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 or loss
The Company assesses at each balance sheet 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 balance sheet 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 immediately in the profit and loss account.

1.7 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.

1. ACCOUNTING POLICIES (continued)

1.8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are those between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.9 Interest income and expenses

Interest income and expense is recognised in the profit and loss account on a time apportionment basis or when the time value of money is material, 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.

1.10 Cash flow statement

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the BGC Group, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1. A consolidated cash flow statement is contained in the consolidated financial statements of BGC Partners, Inc., which are publicly available.

1.11 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 and they are discounted to present value where the effect is material. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability.

1.12 Investment income

Dividends and distributions of partnership income are recognised when the Company's right to receive payment is established.

1.13 Operating leases

Rental expenses and sub lease rental income are recognised within the profit and loss account on a straight line basis over the lease term.

1. ACCOUNTING POLICIES (continued)

1.14 Investment in associated undertakings

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

1.15 Revenue recognition

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax.

2. TURNOVER

Turnover from discontinued operations represents the income received from BGC Group and Cantor Group entities for the use of the Company's fixed assets. This activity was discontinued during the year ended 31 December 2013.

3. ANALYSIS OF CONTINUING AND DISCONTINUED OPERATIONS

	2014		2013	
	Continuing US$000	Discontinued US$000	Continuing US$000	Discontinued US$000
Turnover	-	-	-	243
Administrative expenses	134	-	799	(222)
	134	-	799	21

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 US$000	2013 US$000
Foreign exchange (gain)/loss	(121)	119
Depreciation of tangible fixed assets	-	222
(Credit)/Charge for onerous lease provision	(82)	1,035
Reversal of impairment of fixed asset investments	-	(1,590)

Fees payable to the Company's auditor for the audit of the Company's financial statements was US$25k (2013: US$25k). The auditor's remuneration for 2014 and 2013 was borne by a fellow BGC Group entity and not recharged to the Company. No other fees were paid to the auditor in relation to the Company (2013: US$nil).

5. INCOME FROM FIXED ASSET INVESTMENTS

	2014 US$000	2013 US$000
Dividend income on equity investments	68	67
Income from investments	31	34
	99	101

6. DIRECTORS' AND EMPLOYEES

The Company had no employees during 2014 or 2013.

	2014 US$000	2013 US$000
Directors' remuneration	3	3
Remuneration of the highest paid director	1	1

Directors' remuneration for 2014 and 2013 was borne by a fellow BGC Group entity and not recharged to the Company.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 US$000	2013 US$000
Interest receivable from group undertakings	1,076	6,977
Bank and other interest receivable	72	10
	1,148	6,987

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 US$000	2013 US$000
Other interest expense	8	222
Unwinding of discount on onerous lease provision	192	211
	200	433

9. TAXATION

	2014 US$000	2013 US$000
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on profit for the year	370	(1,768)
Adjustments in respect of prior periods	(36)	(1,753)
Current tax charge/(credit) for year	334	(3,521)
Deferred tax (see note 14)		
Origination and reversal of timing differences	-	528
Tax charge/(credit) on profit on ordinary activities	334	(2,993)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 US$000	2013 US$000
Profit on ordinary activities before tax	1,181	7,475
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	254	1,738
Effects of:		
Expenses/(income) not deductible/(taxable) for tax purposes	21	(238)
Capital allowances in excess of depreciation	-	(2,952)
Adjustment in respect of prior periods	(36)	(1,753)
Short term timing differences	-	(3)
Loss carry back	-	(90)
Partnership profits/(losses)	95	(223)
Current tax charge/(credit) for the year	334	(3,521)

Factors that may affect future tax charges

The rate of corporation tax enacted at the balance sheet date was 20%. The decrease of the UK corporation tax rate was enacted on 2 July 2013. The effective statutory corporation tax rate for the year ended 31 December 2014 is 21.5%. The corporation tax rate of 20% will be effective from 1 April 2015.

10. TANGIBLE FIXED ASSETS

	Motor vehicles US$000
Cost	
At 1 January 2014	105
Disposals	(105)
At 31 December 2014	-
Depreciation	
At 1 January 2014	105
On disposals	(105)
At 31 December 2014	-
Net book value	
At 31 December 2014	-
At 31 December 2013	-

11. INVESTMENTS

	Investments in associated undertakings US$000	Available for sale investments - Listed US$000	Available for sale investments - Unlisted US$000	Total US$000
Cost or valuation				
At 1 January 2014	76,916	136	17,804	94,856
Additions	-	-	1,132	1,132
Repayment of capital	(70,000)	-	-	(70,000)
Revaluations	-	(3)	(546)	(549)
At 31 December 2014	6,916	133	18,390	25,439
Impairment				
At 1 January 2014 and 31 December 2014	6,547	-	28	6,575
Net book value				
At 31 December 2014	369	133	18,362	18,864
At 31 December 2013	70,369	136	17,776	88,281

Available for sale investments
The carrying value of unlisted available for sale investments held at cost less impairment is US$30k (2013: US$30k), all other available for sale investments, listed and unlisted, are carried at fair value.

Investments in associated undertaking
BGCI holds an equity investment in BGCILP, an associated BGC Group undertaking. On 20 February 2014, the Company received a repayment of capital for US$70,000k from BCGILP. In the prior year, US$1,590k of the historic provision against the value of this investment was reversed due to an increase in the investment's recoverable amount.

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.

12. DEBTORS

	2014 US$000	2013 US$000
Due after more than one year		
Amounts owed by group undertakings	-	40,000

	2014 US$000	2013 US$000
Due within one year		
Trade debtors	23	206
Amounts owed by group undertakings	2,709	74,785
Other debtors	3,722	3,224
Corporation tax receivable	1,514	-
	7,968	78,215

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

On 20 February 2014, unsecured loans granted to BGC European Holdings LP of US$46,000k and US$28,000k due less than one year and US$40,000k due greater than one year were repaid.

13. CREDITORS:
Amounts falling due within one year

	2014 US$000	2013 US$000
Trade creditors	665	664
Corporation tax	-	9,705
Other taxation and social security	2,065	2,594
Accruals and deferred income	52	399
	2,782	13,362

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

14. DEFERRED TAXATION

A deferred tax asset has not been recognised in respect of other timing differences as there is insufficient evidence that the asset will be recovered in the foreseeable future. The amount of the deferred tax asset not recognised is approximately US$77k (2013: US$87k). The asset would be recovered if there were sufficient certainty when the timing difference will unwind and that it could be offset against profits arising from the company's investments.

	2014 US$000	2013 US$000
Opening balance	-	(528)
Credit to profit and loss account	-	528
At end of year	-	-

15. PROVISION FOR LIABILITIES

	Provisions for onerous lease commitments US$000
At 1 January 2014	2,766
Released unused	(82)
Utilised during the year	(1,444)
Unwinding of discount	192
Foreign exchange loss	(87)
At 31 December 2014	1,345

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 will expire in September 2016.

Maturity profile of provisions:

	2014 US$000	2013 US$000
Current (less than one year)	798	1,365
Non-current (more than one year)	547	1,401
Total	1,345	2,766

16. SHARE CAPITAL

	2014 US$000	2013 US$000
Allotted, called up and fully paid		
11,280,806 (2013: 118,783,829) Ordinary shares of £1 each	19,308	203,308

On 20 February 2014, the members of the Company resolved to reduce its issued share capital by 107,503,023 Ordinary shares of £1 each, by cancelling and extinguishing those shares and then distributing US$184,000k to the members.

17. RESERVES

	Available for sale reserve US$000	Profit and loss account US$000
At 1 January 2014	11,778	(5,885)
Profit for the financial year	-	847
Revaluation of available for sale investments	(549)	-
At 31 December 2014	11,229	(5,038)

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 US$000	2013 US$000
Opening shareholders' funds	209,201	196,809
Profit for the financial year	847	10,468
Shares cancelled and share capital repaid during the year	(184,000)	-
Other recognised gains and losses during the year	(549)	1,924
Closing shareholders' funds	25,499	209,201

On 20 February 2014, the members of the Company resolved to distribute US$184,000k of share capital to the members.

19. OPERATING LEASE COMMITMENTS

At 31 December 2014 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014 US$000	2013 US$000
Leases over land and buildings which expire:		
Within two to five years	4,739	5,146

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8 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$7k (2013: US$7k). There were no significant balances outstanding with these related parties as at 31 December 2014 or 2013.

In the prior year, the Company discontinued its activity of recharging other BGC and Cantor Group entities for the use of its fixed assets. The net value of Cantor Group recharges for 2014 is therefore US$nil. For 2013 there was US$66k of recharges to Cantor Fitzgerald Europe and US$108k to Tower Bridge International Services L.P.

20. RELATED PARTY TRANSACTIONS (continued)

The Company enters into foreign exchange derivative transactions with Cantor Fitzgerald Europe, details of which are provided in note 21.

21. 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
2014			
Currency swaps	5,217	25	(4)
Forward settlement contracts	531	-	(2)
	5,748	25	(6)
2013			
Currency swaps	14,235	147	(3)
	14,235	147	(3)

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company 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.

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

	2014 US$000	2013 US$000
Level 1		
Listed available for sale investments	133	136
Total Level 1	133	136
Level 2		
Derivative financial instruments - assets	25	147
Derivative financial instruments - liabilities	(6)	(3)
Unlisted available for sale investments	3,368	3,577
Total Level 2	3,387	3,721
Level 3		
Unlisted available for sale investments	14,964	14,169
Total Level 3	14,964	14,169
Total	18,484	18,026

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 12) and is designated as 'held for trading' financial assets at fair value through the profit and loss account. The net fair value of the derivative financial assets and liabilities, if a total liability, is included in other creditors (see note 13) and is designated as 'held for trading' financial liabilities at fair value through the profit and loss account.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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 net asset value of the investment as per the latest available financial statements or 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 2014 US$000	Additions at cost US$000	Total gains recorded in reserves US$000	At 31 December 2014 US$000
Financial investments available-for-sale				
Unlisted equity investments	14,169	1,132	(337)	14,964

There were no gains or losses on level 3 financial instruments included within turnover in the profit or loss 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 net asset 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$1,496k (2013: US$1,417k) for a 10% movement in the net assets of the underlying companies.

23. 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 29 (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.

23. RISK MANAGEMENT (Continued)

Credit Risk

Credit risk is the risk of loss from a customer default. As the Company acts as an investment holding company, the directors consider 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$1,850k (2013: US$1,791k) change in shareholders' funds. There would be no material impact on profit and loss 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 balance sheet as at 31 December 2014, 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 of US$3k (2013: US$17k).

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 cash, 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 2014, the Company had non-derivative financial liabilities with maturities of less than 1 year totaling US$717k (2013: US$1,063k). 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.

23. 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$'000	More than 1 year US$'000	Non-interest bearing US$'000	Total US$'000
31 December 2014				
Cash at bank and in hand	2,794	-	-	2,794
Amounts owed by other group undertakings	-	-	2,709	2,709
Other financial assets	-	-	3,745	3,745
Other financial liabilities	-	-	(717)	(717)
Total	2,794	-	5,737	8,531
31 December 2013				
Cash at bank and in hand	18,833	-	-	18,833
Loan to group undertaking	74,000	40,000	-	114,000
Amounts owed to other group undertakings	-	-	785	785
Other financial assets	-	-	3,430	3,430
Other financial liabilities	-	-	(1,063)	(1,063)
Total	92,833	40,000	3,152	135,985

Other financial assets and liabilities include other debtors and accruals and deferred income, details of which can be found in notes 12 and 13.

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 (2013: 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.

23. 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, the revaluation reserve and retained earnings as disclosed in the primary statements and notes 16 and 17.

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.

	2014 US$000	2013 US$000
Called up share capital, available for sale reserve and retained earnings	25,499	209,201

24. POST BALANCE SHEET EVENTS

On 19 March 2015, the Company purchased an additional 720 ordinary shares in Euroclear PLC at a cost of €650 per share for a total consideration of US$498k.

25. PARENT ENTITIES

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 Limited Partnership are consolidated is BGC European Holdings LP, a limited partnership registered in England and Wales. The largest group into which the results of the Limited Partnership are consolidated is Cantor Fitzgerald, L.P.