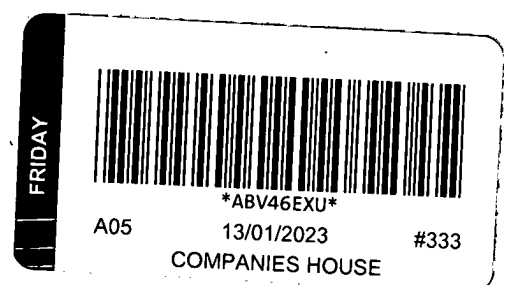


Registered number: 03027028

LUCERA CONNECTIVITY LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



LUCERA CONNECTIVITY LIMITED

COMPANY INFORMATION

Director	Mr R M Snelling Mr D A Denysen (appointed 10 January 2023)
Company secretary	Mr R M Snelling
Registered number	03027028
Registered office	1 Snowden Street London EC2A 2DQ
Independent auditor	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

LUCERA CONNECTIVITY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

Lucera Connectivity Limited (the 'Company') acts as a holding company for its subsidiaries, Fenics Software Limited and Algomi Limited.

The Company, a limited company incorporated in the United Kingdom, 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, L.P. Group ('Cantor Group'), which is comprised of Cantor Fitzgerald, L.P. and its subsidiaries.

Business review and key performance indicators

The Company is solely an investment holding company. The director regards loss before tax US\$9,658k (2020: loss of US\$193k) and underlying value of its investments US\$11,100k (2020: US\$20,681k) as the key performance indicators for the business.

s172(1) Statement: Director's duty to promote the success of the Company

The director of the Company has acted in the way they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its member and its other stakeholders and the wider BGC Group, as a whole, and in doing so have regarded to the matters set out in s172(1) (a-f). The director recognises the need to review regularly the identity of its stakeholders as it makes decisions on behalf of the Company, and in particular:

the interests of the Company's staff; The BGC Group is an organization built upon strong values and employee engagement and ownership. At its core, the BGC Group is committed to its staff by providing an opportunity to participate in its success. Most of its staff have the opportunity to be granted an equity stake in the BGC Group. Because of this diverse staff ownership, the BGC Group has an entrepreneurial culture that allows it to attract and retain key staff. The staff are at the core of all that the Company does and set the tone for its businesses. This relationship with its people aligns its staff and management with shareholders and encourages a collaborative and entrepreneurial culture that informs every decision.

the need to foster the Company's business relationships with suppliers, customers and others; in all of the Company's relationships, including those with the internal customers, suppliers, director, employees and consultants, the director requires its staff demonstrate a steadfast commitment to:

- integrity and fair dealing;
- creating meaningful relationships and understanding how these will need to evolve to meet changing needs;
- avoidance of fraud, abuse, manipulation, concealment, or other unfair practices;
- honest and ethical conduct, including the avoidance and proper handling of potential, actual, or apparent conflicts of interest between personal and professional relationships; and
- compliance with applicable governmental laws, rules, and regulations.

the impact of the Company's operations on the community and the environment; as a global financial services company we have a responsibility in terms of the influence we can have on our industry, our supply chain and wider society. We take these responsibilities seriously. The director believes in hard work, innovation, superior internal customer service, strong ethics and governance, and equal opportunities, as well as community service and charity. They believe these values foster sustainable, profitable growth. The director takes his role in corporate social responsibility and sustainability seriously. The director supports the participation of staff in civic and, charitable activities.

LUCERA CONNECTIVITY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

s172(1) Statement: Director's duty to promote the success of the Company (continued)

Every year in September, in conjunction with the Cantor Fitzgerald Relief Fund, the Company remembers its 719 friends and colleagues who were tragically killed on that day in 2001 by encouraging its staff to contribute to the Cantor Fitzgerald Relief Fund and many other charities around the world.

the desirability of the Company maintaining a reputation for high standards of business conduct; the reputation and integrity of the BGC Group are valuable assets that are vital to the Company's success. Each director, employee, contractor, consultant and member of staff of the Company is responsible for conducting the Company's business and affairs in a manner that demonstrates a commitment to the highest standards of legal compliance and business and professional ethics and integrity.

the need to act fairly as between as between stakeholders; the director understands that it has a broad number of stakeholder groups which includes its shareholders, valued customers, suppliers and the value that the Company derives from drawing on the talent of the staff of the wider BGC Group. In making decisions, the relevance of each stakeholder group varies by reference to the issue in question which the director considers where appropriate during its discussions and as part of its decision-making. This, together with the combination of the consideration of long-term consequences of decisions and the maintenance of our reputation for high standards of business conduct, is integral to the way the director operates the Company.

Principal Risks and Uncertainties

The principal risks facing the Company arise from valuation risk, liquidity risk and credit risk in the normal course of its business.

The director places reliance on the BGC group's risk management framework to manage and monitor risks as well as other related matters, and receive regular reports on specific risks affecting the Company.

Valuation risk

The primary risk the Company faces is valuation risk relating to its investments. The director assesses indicators for impairment to determine whether a review for impairment is required.

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. The Company has no banking facilities of its own and relies on funding from the BGC Group's centralised treasury arrangement to meet its liabilities when they fall due.

Credit risk

Credit risk is the risk of potential loss from a counterparty default. As the Company is a holding company and does not undertake any trading activity, its risk is limited. Its debtors are due from related parties and therefore the director considers the Company's credit risk to be minimal.

LUCERA CONNECTIVITY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

European Union Referendum

The UK and European Union trade agreement was signed on 30 December 2020, which was applied provisionally from 1 January 2021, and entered into force on 1 May 2021. The BGC Group has established several workstreams to plan for the impact of the trade agreement and will continue to monitor legislative developments in order to finalise the BGC Group's operating model going forward. To date, there have been no matters that warrant adjustments to either the financial results as at 31 December 2021 and for the year then ended, or the director's expectation of the going concern status of the Company.

Covid-19

After reviewing forecasts and making enquiries, the director has a reasonable expectation that the Company has adequate resources to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue. The director specifically considered the potential impact of a significant downturn in the valuation of the Company's strategic investments and the potential impact on its profitability that could result from the ongoing global COVID-19 outbreak in their analysis. The director expects the Company to generate positive cash flows over the next twelve months and the Company is able to meet all its obligations as and when they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

On 24 February 2022, Russia invaded Ukraine. The Company does not have business in either of these regions, therefore there is no impact on the financial statements.

There are no other significant events occurring after the balance sheet date, up to the date of approval of the financial statements that would meet the criteria to be disclosed or adjusted in the financial statements as at 31 December 2021 and for the year then ended.

This report was approved by the director and signed by:



Mr D A Denyssen
Director

Date: 10/01/2023

LUCERA CONNECTIVITY LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents the annual report and the audited financial statements of Lucera Connectivity Limited for the year ended 31 December 2021.

Results and dividends

The loss for the year after taxation, amounted to US\$9,658k (2020: loss of US\$193k).

No dividends were paid to shareholders during the year (2020: nil).

Directors

The directors who served during the year were:

Mr R B Stevens (resigned 31 March 2022)
Mr R M Snelling

Going concern

The Company's business activities, together with the factors likely to affect its future development and financial position, are set out in the Strategic Report.

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's treasury department, and the Company participates in the BGC Group's centralised treasury arrangement.

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for 12 months from the date of approval and signing of the Statement of Financial Position. Accordingly, they are adopting the going concern basis in preparing the Director's Report and financial statements.

Please refer to the Principal Risks and Uncertainties section in the Strategic Report for reference to the Company's review of the current impact of COVID-19 and Russia's invasion of Ukraine.

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.

Qualifying third party indemnity provisions

The Company has granted an indemnity to its director 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 Director's Report.

LUCERA CONNECTIVITY LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

The person who is a director at the time when this Director's Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has 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.

Auditor

Under section 487(2) of the Companies Act 2006, Ernst & 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 director and signed by:



Mr D A Denyssen
Director

Date: 10/01/2023

LUCERA CONNECTIVITY LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The Director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with the requirements of the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). Under company law the director must not approve the financial statements unless the director is satisfied that they give 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 director is required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 Accounting Policies, Estimates and Errors and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- in respect of the Company's financial statements, state whether applicable UK Accounting Standards including FRS 102 in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

The director is 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 Company financial statements comply with the Companies Act 2006. The director is 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.

Under applicable law and regulations, the director is also responsible for preparing a strategic report, director's report, that comply with that law and those regulations. The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCERA CONNECTIVITY LIMITED

Opinion

We have audited the financial statements of Lucera Connectivity Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 13 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('United Kingdom Generally Accepted Accounting Practice').

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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; and,
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

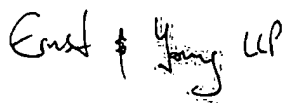
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006, Financial Reporting Standard 102 and tax legislation (governed by HM Revenue and Customs).
- We understood how the Company is complying with these legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance matters. We also reviewed minutes of the Board, made enquiries of the management for their awareness of any non-compliance with laws and regulations and gained an understanding of the Company's approach to governance through the review of the Board's approval of the risk management framework and the internal controls processes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and designating management override to be fraud risk. We considered the controls that the Company has established to address these risks identified, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of executive management and those responsible for legal and compliance matters and journal entry testing. We corroborated our enquiries through review of Board minutes, policies and correspondence with relevant authorities.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP'.

Andrew Stevenson (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

11 January 2023

LUCERA CONNECTIVITY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 US\$000	2020 US\$000
Administrative expenses		(77)	(193)
Operating loss on ordinary activities	3	(77)	(193)
Impairment of fixed asset investments	8	(9,581)	-
(Loss) on ordinary activities before taxation		(9,658)	(193)
Tax on (loss) on ordinary activities	6	-	-
Total comprehensive loss for the year		(9,658)	(193)

The notes on pages 14 to 21 form part of these financial statements.


All amounts relate to continuing operations.

LUCERA CONNECTIVITY LIMITED
REGISTERED NUMBER: 03027028
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 US\$000	2020 US\$000
Fixed assets			
Intangible assets	7	22	33
Investments	8	11,100	20,681
		<u>11,122</u>	<u>20,714</u>
Current assets			
Debtors: amounts falling due within one year	9	608	674
		<u>11,730</u>	<u>21,388</u>
Net assets			
Capital and reserves			
Called up share capital	10	10,866	10,866
Share premium account		1,959	1,959
Retained earnings		(1,095)	8,563
Total shareholder's funds		<u>11,730</u>	<u>21,388</u>

The notes on pages 14 to 21 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 D A Denyssen
Director

Date: 10/01/2023

LUCERA CONNECTIVITY LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital US\$000	Share premium account US\$000	Retained earnings US\$000	Total capital and reserves US\$000
At 1 January 2021	10,866	1,959	8,563	21,388
Loss for the year	-	-	(9,658)	(9,658)
At 31 December 2021	10,866	1,959	(1,095)	11,730

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital US\$000	Share premium account US\$000	Retained earnings US\$000	Total capital and reserves US\$000
At 1 January 2020	866	1,959	8,756	11,581
Loss for the year	-	-	(193)	(193)
Shares issued during the year	10,000	-	-	10,000
At 31 December 2020	10,866	1,959	8,563	21,388

The notes on pages 14 to 21 form part of these financial statements.

LUCERA CONNECTIVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Statement of compliance

Lucera Connectivity Limited (the "Company") is a private company limited by shares, registered in England and Wales. Its registered office is 1 Snowden Street, London, EC2A 2DQ. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" and the Companies Act 2006.

After reviewing forecasts and making enquiries, the director of the Company has a reasonable expectation that the Company has adequate resources to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue. The director specifically considered the potential impact of a significant downturn in activities of its two subsidiaries that could result from the ongoing global COVID-19 outbreak and Russia's invasion of Ukraine in their analysis. The director does not expect there to be material impact on valuation of the investment in these subsidiaries which could lead to impairment. The director expects the Company to have adequate resources to be able to meet all its obligations as and when they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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

2.2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Director of the Company to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities 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 judgements.

Impairment of investment

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions at arm's length on similar assets or observable market prices less incremental costs for disposing of the asset.

2.3 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.

The conversion rate used to translate GBP into USD at 31 December 2021 was 1.354 (2020: 1.367).

LUCERA CONNECTIVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.4 Foreign currencies

Transactions in currencies other than US Dollars are recorded at the average exchange rate ruling during 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.

2.5 Fixed asset investments

Investments held as fixed assets are shown at cost less any provision for impairment. The director assesses investments for indicators of impairment on an annual basis or whenever events or circumstances indicate that the carrying amount may not be recoverable. If such indicators are apparent an impairment review is performed.

2.6 Income from fixed assets investments

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final dividends are recognised when approved by the shareholders at an annual general meeting.

2.7 Exemption applied

As a qualifying entity under FRS 102, the Company has taken advantage of the exemptions in section 1.11-1.12 from preparing a cash flow statement, the requirement of section 33.7 to disclose key management personnel compensation, the requirement of section 33.1A to disclose any related party transactions with and between wholly-owned subsidiaries, and the requirement of paragraph 9.3 to prepare consolidated financial statements. The BGC Group prepares publicly available consolidated financial statements including a cash flow statement which are intended to give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows and the Company is included in the BGC Group's consolidated financial statements.

2.8 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.

2.9 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.

LUCERA CONNECTIVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.10 Goodwill

Goodwill has been recorded as the difference between the cost of the acquired entity and the aggregate fair values of the identifiable assets and liabilities.

The amortisation of goodwill is calculated to write off the cost over its estimated useful life of 20 years, on a straight- line basis.

2.11 Impairment of goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

LUCERA CONNECTIVITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****3. Loss on ordinary activities before taxation**

The loss on ordinary activities before taxation is stated after charging:

	2021 US\$000	2020 US\$000
Amortisation of intangible assets, including goodwill	11	11

4. Auditor's remuneration

	2021 US\$000	2020 US\$000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	33	27

The audit fees payable represents the Company's portion of the group audit fee payable relating to the financial year, which is borne by a fellow BGC Group undertaking.

5. Director's remuneration

	2021 US\$000	2020 US\$000
Director's remuneration	2	8
Remuneration of the highest paid director	1	3

Director's remuneration was borne by a fellow BGC Group entity and not recharged to the Company.

LUCERA CONNECTIVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Taxation

	2021 US\$000	2020 US\$000
Current tax:		
Total tax per income statement	<u>2</u>	<u>2</u>

The charge for the year can be reconciled to the loss per the income statement as follows:

	2021 US\$000	2020 US\$000
(Loss) on ordinary activities before tax	<u>(9,658)</u>	<u>(193)</u>
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	(1,835)	(37)
Effects of:		
Expenses not deductible	1,835	11
Losses surrendered as group relief	-	26
Total tax charge for the year	<u>2</u>	<u>2</u>

Factors that may affect future tax changes

The effective statutory corporation tax rate for the year ended 31 December 2021 is 19% (2020: 19%). Budget 2021 provided that the rate of corporation tax will increase to 25% from April 2023. This rate was enacted within Finance Act 2021.

7. Intangible assets

	Goodwill US\$000
Cost	
At 1 January 2021	220
At 31 December 2021	<u>220</u>
Amortisation	
At 1 January 2021	187
Charge for the year	11
At 31 December 2021	<u>198</u>
Net book value	
At 31 December 2021	<u>22</u>
At 31 December 2020	<u>33</u>

LUCERA CONNECTIVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Intangible assets (continued)

After the acquisition of D'Vega Limited in 2003, the business assets and liabilities of D'Vega Limited were acquired by Lucera Connectivity Limited. This business combination created goodwill on the Company's balance sheet, which is being amortised on a straight line basis over its useful life of 20 years.

8. Fixed asset investments

	Investment in subsidiary companies US\$000
Cost	
At 1 January 2021	20,681
At 31 December 2021	20,681
Impairment	
At 1 January 2021	-
Charge for the year	9,581
At 31 December 2021	9,581
Net book value	
At 31 December 2021	11,100
At 31 December 2020	20,681

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name:	Class of shares:	Holding:	Principal activity:	Country of incorporation
Fenics Software Limited	Ordinary	100%	Software provider	United Kingdom
Algomi Limited	Ordinary	100%	Software provider	United Kingdom

During 2021 Algomi Limited experienced worse than expected trading conditions which resulted in it making a loss for 2021. Consequently management considered it appropriate to perform an impairment review on the carrying value of the investment as at 31 December 2021. This resulted in an impairment charge of US\$9,581k against fixed asset investments (2020: US\$nil). The impairment was calculated as the difference between the carrying value and the recoverable value. The fair value was determined as zero as the Company is insolvent, dependent on parental support and is not expected to return to profitability over the forecast period.

LUCERA CONNECTIVITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Debtors

	2021 US\$000	2020 US\$000
Amounts owed by group undertakings	556	582
Prepayments	52	92
	<u>608</u>	<u>674</u>

The director considers the carrying value of debtors falling due within one year approximates to fair value. The amounts owed by group undertakings are unsecured, non-interest bearing and payable on demand.

10. Share capital

	2021 US\$000	2020 US\$000
Shares classified as equity		
Allotted, called up and fully paid		
82,431,544 (2020: 82,431,544) Ordinary shares of GBP 0.10 each	<u>10,866</u>	<u>10,866</u>

11. 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, L.P., the ultimate controlling entity. Disclosed below are the related party transaction balances as at 31 December 2021.

	2021 US\$000	2020 US\$000
Amount due from related party		
Entities with control over the Company	<u>556</u>	<u>582</u>

12. Ultimate parent undertaking and controlling party

The immediate parent company is GFI Holdings Limited, a company which is incorporated in the United Kingdom and registered in England and Wales. The ultimate controlling party is Cantor Fitzgerald, LP, which is registered in the United States of America.

The smallest and largest group to make its financial statements publicly available into which the results of the Company are consolidated is BGC Partners, inc., incorporated in the United States of America. The consolidated financial statements of this group are available from 499 Park Avenue, New York, USA 10022. The largest group into which the results of the Company are consolidated is Cantor Fitzgerald L.P.

LUCERA CONNECTIVITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Post balance sheet events

On 24 February 2022, Russia invaded Ukraine. The Company does not have business in either of these regions, therefore there is no impact on the financial statements.

There are no other significant events occurring after the balance sheet date, up to the date of approval of the financial statements that would meet the criteria to be disclosed or adjusted in the financial statements as at 31 December 2021 and for the year then ended.