

Registered number: 04045177

BGC EUROPEAN GP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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BGC EUROPEAN GP LIMITED

COMPANY INFORMATION

DIRECTORS	Mr S J Harper	Non-executive Director
	Mr S Smith	Non-executive Director
	Mr S A Windeatt	
	Dr G P Lyons	Non-executive Director (appointed 8 June 2021)
	Ms B J Merry	Non-executive Director (appointed 8 June 2021)

COMPANY SECRETARY	Mr R M Snelling
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REGISTERED NUMBER	04045177
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REGISTERED OFFICE	5 Churchill Place Canary Wharf E14 5RD London
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AUDITORS	Ernst & Young LLP 25 Churchil Place Canary Wharf London E14 5EY
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BGC EUROPEAN GP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

BGC European GP Limited, ('the Company'), a limited company incorporated under the laws of England and Wales. The Company is part of the global BGC Partners, Inc. group ('BGC Group'), which is comprised of BGC Partners, Inc. and its subsidiaries and is part of the Cantor Fitzgerald, L.P. group ('Cantor Group'), which is comprised of Cantor Fitzgerald, L.P. and its subsidiaries.

The principal activity of the Company is to act as the general partner of the UK limited partnership of BGC European Holdings L.P. ('the Limited Partnership'). As part of the BGC Group, both the Company and the Limited Partnership are part of the BGC Group, a leading global brokerage firm which services the financial services markets.

BUSINESS REVIEW

The Company is a holding company and therefore does not undertake any trading activity. All administrative expenses (excluding foreign exchange losses/gains) are borne by a fellow group entity. The total comprehensive income for the year was US\$7,328 (2020: US\$6,386) primarily due to the recognition of an US\$8,000 (2020: US\$5,000) amount of investment income and a tax credit of US\$789 (2020: US\$1,510). The Company has recognised the tax effects on its share of the taxable profits of the Limited Partnership, and the underlying partnerships that the Company is indirectly a member of.

FINANCIAL KEY PERFORMANCE INDICATORS

As the Company is a holding company, the directors regard the carrying value of the underlying investment as the only key performance indicator. The carrying value of the investment at 31 December 2021 is US\$100 (2020: US\$100).

S172(1) STATEMENT: DIRECTORS' DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

The directors of the Company have 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 regard to the matters set out in s172(1) (a-f). The directors recognise the need to review regularly the identity of stakeholders as they make decisions on behalf of the Company, and in particular:

***the interests of the Company's employees:** although the Company has no direct employees, it benefits from the services of staff provided by other entities in the BGC Group. The BGC Group is an organisation built upon strong values and staff engagement and ownership. At its core, the BGC Group is committed to its staff by providing an opportunity to participate in its success. Unlike many companies, 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 in all of its markets. 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, directors and other staff, the directors require its staff to demonstrate a steadfast commitment to:*

BGC EUROPEAN GP LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

S172(1) STATEMENT: DIRECTORS' DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (CONTINUED)

- 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 part of 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 directors believe 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 directors take their role in corporate social responsibility and sustainability seriously. The directors support the participation of staff in civic and, charitable activities. 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 and staff member 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 members of the Company: the directors understand that it has a broad number of stakeholder groups which includes 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 directors consider 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 directors operate the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company did not engage in any trading activity in the year and therefore its exposure to operational

Valuation risk

The primary risk the Company faces is the valuation risk relating to its investment. The directors assess for indicators of impairment to determine whether an impairment review is required.

Credit risk

Credit risk is the risk of potential loss from a counterparty default. As the Company is a holding company and therefore does not undertake any trading activity, its risk is reduced as the receivables are due from related entities within the BGC Group.

BGC EUROPEAN GP LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 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.

Foreign exchange risk

The Company is exposed to foreign exchange risk due to exchange rate movements in the revaluations of balance sheet items. The risk is reduced as the foreign exchange exposure is minimal.

UK withdrawal from the European Union

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 continues to assess and adapt to the opportunities and challenges created by the UK's withdrawal from the European Union and monitor developments. 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 directors' expectation of the going concern status of the Company.

COVID-19

After reviewing forecasts and making enquiries, the directors have 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 Company acts as the General Partner of the Limited Partnership. As part of its going concern review, the Limited Partnership has stress tested the potential impact of a significant downturn in the activity levels on its profitability. The directors do not expect there to be a material impact on the financial position of the Limited Partnership. As it is expected that the Limited Partnership will continue in operation for the foreseeable future, and for a period of at least 12 months from the date of signing of the financial statements of the Company, the directors believe that the Company is a going concern and accordingly, they have prepared the financial statements on this basis.

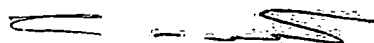
POST BALANCE SHEET EVENT

Russia's invasion of Ukraine

On 24 February 2022, Russia invaded Ukraine. The directors have considered the impact of this event on the financial statements and have determined that no adjustments are required as the Company does not hold any investments in either of these regions and has no credit risk exposure to countries in these regions.

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 board and signed on its behalf by:



Mr S A Windeatt
Director

Date: 20 January 2023

BGC EUROPEAN GP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present this report and the audited financial statements for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to US\$7,328 (2020: US\$6,386).

The directors do not recommend a dividend for the year (2020: US\$nil).

DIRECTORS

The directors who served during the year were:

Mr S Harper	Non-executive Director
Mr P M Pion	(resigned 12 May 2021)
Mr S Smith	Non-executive Director
Mr R B Stevens	(resigned 31 March 2022)
Mr S A Windeatt	
Mr S Bisgay	(appointed 17 June 2021 and resigned 27 June 2022)
Dr G P Lyons	Non-executive Director (appointed 8 June 2021)
Ms B J Merry	Non-executive Director (appointed 8 June 2021)

GOING CONCERN

The Company's principal activity is to act as the general partner of the Limited Partnership. As it is expected that the Limited Partnership will continue in operation for the foreseeable future, and for a period of at least 12 months from the date of the signing of these financial statements, 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 the approval and signing of the balance sheet. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Please see the Principal Risk and Uncertainties Section in the Strategic Report for reference to the Company's review of the current impact of COVID-19 and the Post Balance Sheet Events section for consideration of the impact of Russia's invasion of Ukraine.

FUTURE DEVELOPMENTS

The Company will continue to act as the general partner of the Limited Partnership for the foreseeable future.

BGC EUROPEAN GP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 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 are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, the auditors, Ernst & Young LLP has indicated its willingness to continue in office and were deemed to have been re-appointed as auditors.

This report was approved by the board and signed on its behalf by:


Mr S A Windeatt
Director

Date: 20 January 2023

BGC EUROPEAN GP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 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"). 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 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 in accordance with Section 10 of FRS 102 Accounting Policies, Estimates and Errors and then apply them consistently;
- make judgements 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's 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 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The directors are 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 BGC EUROPEAN GP Limited

Opinion

We have audited the financial statements of BGC European GP 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 16, 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 profit 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.

- 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 those 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 the risk identified, or that otherwise seek to prevent, deter, or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraphs above. 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 and policies.

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.

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

23 January 2023

BGC EUROPEAN GP LIMITED

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

	Note	2021 US\$	2020 US\$
Turnover	3	8,000	5,000
Administrative expenses		(1,380)	(124)
Operating profit	4	6,620	4,876
Interest payable and similar charges	5	(81)	-
Profit on ordinary activities before taxation		6,539	4,876
Tax credit on ordinary activities	7	789	1,510
Total comprehensive income for the year		7,328	6,386

The notes on pages 14 to 22 form part of these financial statements.

All amounts relate to continuing operations.

BGC EUROPEAN GP LIMITED
REGISTERED NUMBER 04045177

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 US\$	2020 US\$
Fixed assets			
Investments	9	100	100
Current assets			
Debtors: amounts falling due after more than one year	10	7,618	5,753
Debtors: amounts falling due within one year	10	9,288	1,290
		<u>16,906</u>	<u>7,043</u>
Creditors: amounts falling due within one year	11	<u>(6,754)</u>	<u>(4,219)</u>
Net current assets		<u>10,152</u>	<u>2,824</u>
Net assets		<u>10,252</u>	<u>2,924</u>
Capital and reserves			
Called up share capital	12	2	2
Share premium account	13	999	999
Retained earnings		<u>9,251</u>	<u>1,923</u>
Shareholder's funds		<u>10,252</u>	<u>2,924</u>

The notes on pages 14 to 22 form 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:



Mr S A Windeatt
Director

Date: 20 January 2023

BGC EUROPEAN GP LIMITED

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

	Called up share capital US\$	Share premium account US\$	Retained earnings US\$	Total shareholder's funds US\$
At 1 January 2021	2	999	1,923	2,924
Profit for the year	-	-	7,328	7,328
At 31 December 2021	2	999	9,251	10,252

	Called up share capital US\$	Share premium account US\$	Retained (losses) US\$	Total shareholder's fund/(deficit) US\$
At 1 January 2020	2	999	(4,463)	(3,462)
Profit for the year	-	-	6,386	6,386
At 31 December 2020	2	999	1,923	2,924

The notes on pages 14 to 22 form part of these financial statements.

BGC EUROPEAN GP LIMITED

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

1. STATEMENT OF COMPLIANCE

BGC European GP Limited is a company limited by shares, registered in England and Wales. Its registered office is Five 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 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 UK and the Republic of Ireland and the Companies Act 2006.

After reviewing forecasts and making enquiries, the directors have 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 Company acts as the General Partner of the Limited Partnership. As part of its going concern review, the Limited Partnership has stress tested the potential impact of a significant downturn in the activity levels on its profitability. We do not expect there to be a material impact on the financial position of the Limited Partnership. As it is expected that the Limited Partnership will continue in operation for the foreseeable future, and for a period of at least 12 months from the date of signing of the financial statements of the Company, the directors believe that the Company is a going concern and accordingly, they have prepared the financial statements on this basis.

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 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 liabilities as at the balance sheet date and amounts reported for revenues and expenses during the year. However, the nature of estimation means the actual outcome could differ from those estimates. Judgement made on assessment of investment impairment had the most significant effect on amounts recognised in the financial statements.

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.

BGC EUROPEAN GP LIMITED

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

2. ACCOUNTING POLICIES (Continued)

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.

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

2.5 Exemptions 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 related party transactions with and between wholly owned subsidiaries. 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 publicly available consolidated financial statements of BGC Partners, Inc.

2.6 Revenue recognition

Revenue is recognised to the extent that economic benefits will flow to the Company and the revenue can be reliably measured.

The Company's turnover is derived from distributions received from its fixed asset investment.

2.7 Investments

Equity investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs). Subsequently, they are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

BGC EUROPEAN GP LIMITED

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

2. ACCOUNTING POLICIES (Continued)

2.8 Impairment of assets

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment recognised in the Statement of Comprehensive Income. An impairment loss recognised in respect of an asset is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

2.9 Interest income and expenses

Interest income and expense is recognised in the Statement of Comprehensive Income using the effective interest rate method. The effective interest rate 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.

2.10 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.

2.11 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.

BGC EUROPEAN GP LIMITED

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

2. ACCOUNTING POLICIES (Continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

BGC EUROPEAN GP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****3. TURNOVER**

	2021	2020
	US\$	US\$
Income from fixed asset investment	8,000	5,000

On 30 September 2021, the Company received a distribution of US\$8,000 from the Limited Partnership.

4. OPERATING PROFIT

The operating profit on ordinary activities before taxation is stated after charging:

	2021	2020
	US\$	US\$
Foreign exchange (loss)	(2)	(124)

The fees payable to the Company's auditor for the audit of the Company's financial statements was US\$10,500 (2020: US\$10,500). The auditor's remuneration for 2021 and 2020 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 (2020: US\$nil).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	US\$	US\$
Other interest payable	81	-

The interest expense was related to late tax payments.

6. DIRECTORS AND EMPLOYEES

	2021	2020
	US\$	US\$
Directors' remuneration		
Directors' remuneration	4,000	-
Remuneration of the highest paid director	1,000	-

Directors' remuneration for 2021 and 2020 was borne by a fellow BGC Group entity and not recharged to the Company.

BGC EUROPEAN GP LIMITED

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

7. TAXATION

	2021 US\$	2020 US\$
Analysis of tax credit for the year		
Current tax		
UK corporation tax on profits for the year	948	1,128
Adjustment in respect of previous periods	128	-
	<u>1,076</u>	<u>1,128</u>
Deferred tax		
Origination and reversal of timing differences	(278)	(2,271)
Adjustment in respect of previous periods	241	-
Effect of changes in tax rates	(1,828)	(367)
Total deferred tax	<u>(1,865)</u>	<u>(2,638)</u>
Tax credit on ordinary activities	<u>(789)</u>	<u>(1,510)</u>

The credit can be reconciled to the profit per the Income Statement as follows:

	2021 US\$	2020 US\$
Profit on ordinary activities before taxation	6,539	4,876
Tax on profit at standard UK tax rate of 19% (2020: 19%)	1,242	926
Effects of:		
Share of partnership profits	(835)	(2,103)
Expenses non deductible	262	33
Adjustment in respect of previous periods	370	-
Tax rate changes	(1,828)	(366)
Total tax credit for the year	<u>(789)</u>	<u>(1,510)</u>

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

BGC EUROPEAN GP LIMITED

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

8. DEFERRED TAX ASSETS

	2021 US\$	2020 US\$
At the beginning of the year	5,753	3,115
Deferred tax credit to income statement for the period	2,108	2,638
Adjustment in respect of prior years	(241)	6
At the end of the year	<u>7,618</u>	<u>5,753</u>

The deferred tax asset is made up as follows:

Timing differences on allocation of partnership profits	7,438	5,482
Tax losses carried forward	180	271
	<u>7,618</u>	<u>5,753</u>

A deferred tax asset has been recognised in respect of losses and partnership profits. Given the nature of the temporary differences, it is not possible to quantify the expected movements in deferred tax balances in the next 12 months.

The Company has historic (pre-2008) non-trade tax losses of US\$15k carried forward as at 31 December 2021. It is uncertain whether these losses will be utilised in the foreseeable future, as they can only be offset against non-trading profits. Therefore, no deferred tax asset has been recognised on these non-trade losses as at 31 December 2021.

9. FIXED ASSETS INVESTMENTS

	2021 US\$
Cost and net book value	
At 1 January 2021 and at 31 December 2021	<u>100</u>

The investment represents the Company's capital contribution of US\$100 as the General Partner in BGC European Holdings L.P., which provides the Company with 0.01% of the economic rights.

A reliable measure of fair value is not available therefore the investment is held at cost less impairment.

BGC EUROPEAN GP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****10. DEBTORS:**

	2021 US\$	2020 US\$
Due after more than one year		
Deferred tax asset (see note 8)	<u>7,618</u>	<u>5,753</u>

This represents the deferred tax asset that is considered non-current and to be utilised in more than one year.

10. DEBTORS:

	2021 US\$	2020 US\$
Due within one year		
Amounts owed from group undertakings	<u>9,288</u>	<u>1,290</u>

The directors consider the carrying value of debtors falling due within one year approximates to fair value. The amounts owed from group undertakings are unsecured, non-interest bearing and callable on demand.

11. CREDITORS: Amounts falling due within one year

	2021 US\$	2020 US\$
Corporation tax	<u>6,754</u>	<u>4,219</u>
	<u>6,754</u>	<u>4,219</u>

The directors consider the carrying value of creditors falling due within one year approximates to fair value. The amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

12. SHARE CAPITAL

	2021 US\$	2020 US\$
Authorised		
100,000,000- Ordinary shares of US\$1 each	<u>100,000,000</u>	<u>100,000,000</u>
Allotted, called up and fully paid		
2 - Ordinary shares of US\$1 each	<u>2</u>	<u>2</u>

BGC EUROPEAN GP LIMITED

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

13. SHARE PREMIUM ACCOUNT

	2021	2020
	US\$	US\$
Share premium	999	999

On 7 December 2011, the Company issued 1 ordinary share of US\$1 each at a price of US\$1,000 and received US\$999 as share premium.

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, L.P. the ultimate controlling party of the BGC Group.

	2021	2020
	US\$	US\$
Amount due from related party		
Other affiliated entities	9,288	1,290

15. POST BALANCE SHEET EVENT

Russia's invasion of Ukraine

On 24 February 2022, Russia invaded Ukraine. The directors have considered the impact of this event on the financial statements and have determined that no adjustments are required as the Company does not hold any investments in either of these regions and has no credit risk exposure to countries in these regions.

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.

16. ULTIMATE PARENT AND CONTROLLING PARTY

The immediate parent and controlling party is BGC Global Holdings GP Limited, a company registered in the Cayman Islands. The ultimate controlling party is Cantor Fitzgerald, L.P. 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. which does not produce publicly available financial statements.