

Registered number: 04045178

BGC GLOBAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



BGC GLOBAL LIMITED

COMPANY INFORMATION

DIRECTORS Mr D A Denyssen (appointed 3rd June 2021)
Mr R B Stevens (appointed 1st December 2020)

COMPANY SECRETARY Mr R M Snelling

REGISTERED NUMBER 04045178

REGISTERED OFFICE 5 Churchill Place
Canary Wharf
London
E14 5RD

AUDITORS Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

BGC GLOBAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

INTRODUCTION

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

The Company, a limited company incorporated in the United Kingdom, is part of the global BGC Partners, Inc. group ('BGC Group'), which is part of BGC Partners, Inc. and its subsidiaries. BGC Partners, Inc. is a member of the Cantor Fitzgerald, L.P. Group ('Cantor Group'), which is part of Cantor Fitzgerald, L.P. and its subsidiaries.

BUSINESS REVIEW

The Company is a holding Company and therefore does not undertake any trading activity. All administrative expenses are borne by a fellow BGC Group entity. The Company has recognised a tax charge for the year as analysed in note 8. A deferred tax asset has been recognised primarily due to timing differences on allocation of partnership profits. The directors feel that a key performance indicator analysis is not meaningful for the Company as it acts purely as a holding company.

MISAPPROPRIATION OF TAX PAYMENTS AND RESTATEMENT

During the fourth quarter of 2020, the BGC Group identified the theft of UK tax payment related funds. The theft, which occurred over several years ending September 2020, was perpetrated by two individuals associated with the BGC Group and did not involve the operations or business of the BGC Group. Although litigation has commenced against the two individuals seeking recovery of the stolen amounts, a subsidiary of the Company, Tower Bridge International Services LP ('TBIS'), being the group's service provider responsible for dealing with such tax matters for the affected entities, has taken financial responsibility for the theft. TBIS has recognised a provision for the stolen funds and incremental expenses.

The Company has restated the prior year opening balances and amounts in these financial statements relating to the tax effect on its allocation of TBIS' partnership profits. As part of a review of partnership allocations for tax purposes, the Company has also restated for the tax effect of its allocation of profits from BGC European Holdings LP; to agree to the latest tax calculations from its subsidiary partnerships and to update its deferred tax asset for unremitted partnership drawings to agree to the subsidiary partnership's undistributed reserve account balances. The amounts of the restatement are set out in note 16.

s172(1) STATEMENT: DIRECTORS DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

The directors of the Company act in the way they consider, 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), and the directors recognise the need to review regularly the identity of its stakeholders as it makes decisions on behalf of the Company, and in particular:

BGC GLOBAL LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

the interests of the Company's employees; although the Company has no direct employees, it benefits from the services of employees and partners provided by other entities in the BGC Group. 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. 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; although the Company has no business relationships of its own, the directors recognise that in all the BGC Group's relationships, including those with the customers, suppliers, regulators, business partners, associates, directors, employees, brokers, and consultants, its staff must 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;
- 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 directors believe in hard work, innovation, superior client service, strong ethics and governance, and equal opportunities, as well as community service and charity. They believe these values foster sustainable and 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 on September 11th, 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 distributing its global revenues 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 and consultant 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; while the Company has a single shareholder, BGC Partners, Inc., the directors understand that it has a broad number of stakeholder groups which includes its valued customers and suppliers, its interactions with regulators, 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.

BGC GLOBAL LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces valuation, interest rate, credit and foreign exchange 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 regular reports on specific risks affecting the Company.

Valuation Risk

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

Interest Rate Risk

The Company is exposed to interest rate risk as it has interest bearing loans to and from group entities and is therefore subject to interest rate fluctuations. The directors review the interest rate and assess the cost benefit of interest rate hedging.

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 its receivables are due from related entities within the BGC Group.

Foreign Exchange Risk

The Company is exposed to foreign exchange risk as it transacts in currencies other than its functional currency which is the United States Dollar. The Company has a foreign currency economic hedging policy in place and enters into foreign exchange contracts to mitigate its exposure to foreign exchange rate fluctuations.

EUROPEAN UNION REFERENDUM

The UK and European Union trade agreement was signed on 30 December 2020, applied provisionally from 1 January 2021, and entered into force on 1 May 2021. The BGC Group has established several work streams to analyse and plan for the potential effects of a number of scenarios 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 2019 and for the year then ended, or the Directors' expectation of the going concern status of the Company.

BGC GLOBAL LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

POST BALANCE SHEET EVENTS

Covid-19

Management is considering the potential economic impact to the Company of the COVID-19 pandemic. For the assessment of the going concern, the valuation of its investment in the Limited Partnership has been considered to be the key indicator of whether the Company is a going concern. The valuation is determined by comparing the proportion of the market capitalisation of BGC Partners, Inc. attributable to the Limited Partnership. This assessment supports the assertion that the present market value is higher than the cost of investment, therefore the investment in the Limited Partnership has not been impaired. Given that the value of the investment has not been impaired, the directors believe that the Company is a going concern and accordingly have prepared the financial statements on this basis. While there remains significant uncertainty regarding the developments of the pandemic and the future economic recovery, the Board has concluded that COVID-19 is a non-adjusting post balance sheet event.

Misappropriation of tax payments

During the fourth quarter of 2020, the BGC Group identified the theft of UK tax payment related funds. The board has concluded that the theft is an adjusting post balance sheet event. Refer to the restatement note 18 and the Business Review section of the Strategic Report for further details.

There are no other significant events after the balance sheet date.

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



Mr R B Stevens

Director

Date: 30 July 2021

BGC GLOBAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements of BGC Global Limited ('the Company') for the year ended 31 December 2019.

RESULTS

The profit for the year, after taxation, amounted to US\$176,234k (2018: US\$163,408k). Profitability has increased due to the Company's additional income from fixed asset investments of \$141,576k (2018: \$119,715k).

DIRECTORS

The directors who served during the year were:

Mr S A Windeatt (resigned 1st December 2020)

Mr J R Lightbourne (resigned 19th November 2019)

GOING CONCERN

The Company is a holding Company and regards the valuation of its investment in and distributions derived from BGC Global Holdings, L.P. as the key indicator of whether the Company is a going concern. The directors have assessed the investment for indicators of impairment as at 31 December 2019 and on the basis of their assessment, have concluded that it is not impaired.

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

The directors have a reasonable expectation that the Company has adequate resources to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Please see the Post Balance Sheet Events section in the Strategic Report for a statement regarding the impact of COVID-19 on the Company.

FUTURE DEVELOPMENTS

There are no new developments planned for the Company in the foreseeable future.

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.

BGC GLOBAL LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

AUDITORS

Under section 487(2) of the Companies Act, Ernst & Young LLP were deemed to have been re-appointed as auditors.

This report was approved by the Board and signed on its behalf.



Mr R B Stevens
Director
Date: 30 July 2021

BGC GLOBAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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. 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 financial position and financial performance;
- in respect of the 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 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. 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.

BGC GLOBAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF BGC GLOBAL LIMITED

Opinion

We have audited the financial statements of BGC Global Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18, 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 state of the Company's affairs as at 31 December 2019 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 below. 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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BGC GLOBAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF BGC GLOBAL LIMITED (continued)

Other information

The other information comprises the information included in the annual report as set out on pages 1 to 7, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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.
- ▶ the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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.

BGC GLOBAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF BGC GLOBAL LIMITED (continued)

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.

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.



Peter Wallace (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 30 July 2021

BGC GLOBAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 US\$000	Restated 2018 US\$000
Turnover		-	-
Administrative expenses		488	37
Operating profit	4	488	37
Income from fixed asset investments	3	141,576	119,715
Interest receivable and similar income	7	54,838	42,959
Interest payable and similar expenses	8	(7,485)	(6,721)
Profit on ordinary activities before taxation		189,417	155,990
Tax (charge)/credit	9	(13,183)	7,418
Profit and total comprehensive income for the financial year		176,234	163,408

All amounts relate to continuing operations for the current and prior year.

The notes on pages 14 to 26 form part of these financial statements.

BGC GLOBAL LIMITED

Registered number: 04045178

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

		2019	2019	Restated	Restated
	Note	US\$000	US\$000	2018	2018
				US\$000	US\$000
Fixed assets:					
Investments	11		88,102		88,102
			<u>88,102</u>		<u>88,102</u>
Current assets					
Debtors	12	1,306,511		1,094,830	
Creditors	13	(379,243)		(343,796)	
Net current assets			<u>927,268</u>		<u>751,034</u>
Net assets			<u><u>1,015,370</u></u>		<u><u>839,136</u></u>
Capital and Reserves					
Called up share capital	14		-		-
Share premium			88,102		88,102
Retained earnings			<u>927,268</u>		<u>751,034</u>
			<u><u>1,015,370</u></u>		<u><u>839,136</u></u>

The Company has called up share capital of \$101 (2018: \$101) which does not show on the above statement of financial position due to rounding.

The notes on pages 14 to 26 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 R B Stevens

Director

Date: 30 July 2021

BGC GLOBAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital US\$000	Share premium US\$000	Retained earnings US\$000	Total shareholder's funds US\$000
At 1 January 2019	-	88,102	751,034	839,136
Total comprehensive income for the year	-	-	176,234	176,234
At 31 December 2019	-	88,102	927,268	1,015,370

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital US\$000	Share premium US\$000	Restated retained earnings US\$000	Total shareholder's funds US\$000
At 1 January 2018	-	88,102	587,626	675,728
Total comprehensive income for the year	-	-	163,408	163,408
At 31 December 2018	-	88,102	751,034	839,136

The Company has called up share capital of \$101 (2018: \$101) which does not show on the above statement of changes in equity due to rounding.

The notes on pages 14 to 26 form part of these financial statements.

BGC GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATEMENT OF COMPLIANCE

BGC Global Limited (the "Company") is a private limited company, registered in England and Wales. Its registered office is 5 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 preceding year.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

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.

Management is considering the potential economic impact to the Company of the COVID-19 pandemic. After reviewing forecasts and making enquiries, the Directors have a reasonable expectation that the Company will continue as a going concern for a period of twelve months from when the financial statements are authorised for issue. The Company acts as a holding company. As part of its going concern review, the Company has stress tested the potential impact of a significant downturn in activity levels of its trading subsidiaries on its profitability. We do not expect there to be a material impact on the financial position of its subsidiaries. The Directors expect the Company to generate positive returns over the next twelve months. 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 judgment in applying the Company's accounting policies.

2.2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors of the Company to make judgements, estimates and assumptions that affect the amounts reported for assets and 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 areas of judgement:

Impairment of investment

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on their 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.

BGC GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The value in use calculation requires an estimation of future cash flows expected to arise for the cash-generating unit, the selection of suitable discount rates and the estimation of future growth rates.

2.3 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 and the requirement of section 33.7 to disclose key management personnel compensation and as per section 33.1A disclosure of 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 BGC Group's consolidated financial statements.

2.4 Functional currency

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

2.5 Foreign currencies

Transactions in currencies other than US Dollars are recorded at the average rate for the month in which the transactions occurred. Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the balance sheet date. Translation differences at the balance sheet dates are recognised in the Statement of Comprehensive Income.

The conversion rate used to translate GBP into USD at 31 December 2019 was 1.325 (2018: 1.274)

2.6 Investment income recognition

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

2.7 Fixed asset investments

Investments in subsidiaries are shown at cost less any provision for impairment. The directors assess 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 as further described in 2.8.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2.8 Impairment of assets

The Company assesses, at each balance sheet date, whether there is objective evidence that an asset or group of assets is impaired. An 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 asset that can be reliably estimated.

If impaired, assets are written down to their recoverable amount, which 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 the current market assessments of the time value of money and risks to the specific asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Statement of Comprehensive Income.

2.9 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.

2.10 Loans and receivables

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

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2.12 Interest income and expense

Interest income and interest expense are 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.

2.13 Provisions for liabilities

Provisions are recorded where a past event has taken place that gives the Company a legal or constructive obligation that is probable to require 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.

2.14 Revenue recognition

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

BGC GLOBAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****3. INCOME FROM FIXED ASSET INVESTMENTS**

	2019 US\$000	Reclassified 2018 US\$000
Distribution from interest in partnership	141,576	119,715

Distributions are received from the Company's investment in BGC Global Holdings, L.P.

4. OPERATING PROFIT

	2019 US\$000	2018 US\$000
Foreign exchange gain	500	37

Fees payable to the Company's auditor for the audit of the Company's financial statements were US\$12k (2018: US\$12k). The auditor's remuneration was borne by a fellow BGC Group entity and recharged to the Company. No other fees were paid to the auditor in relation to the Company (2018: US\$nil).

5. DIRECTORS AND EMPLOYEES

The company had no employees during 2019 and 2018.

	2019 US\$000	2018 US\$000
Directors' remuneration	2	2
Remuneration of the highest paid director	2	1

Directors' remuneration for 2018 and 2019 was borne by a fellow BGC group entity and recharged to the Company.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 US\$000	2018 US\$000
Interest receivable from group undertakings	54,838	42,959

Please refer to Note 11 for details on loans to group undertakings.

BGC GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 US\$000	2018 US\$000
Loans from group undertakings	7,412	6,673
Other interest payable	73	48
	<u>7,485</u>	<u>6,721</u>

Please refer to Note 12 for details on loans from group undertakings.

8. TAXATION

	2019 US\$000	Restated 2018 US\$000
Analysis of tax charge in the year:		
Current tax:		
UK corporation tax on profits for the year	16,687	7,047
Total current tax	<u>16,687</u>	<u>7,047</u>
Deferred tax:		
Origination and reversal of timing differences	(3,916)	(16,167)
Effect of changes in tax rates	412	1,702
Total deferred tax	<u>(3,504)</u>	<u>(14,465)</u>
Tax charge/(credit) on profit on ordinary activities	<u>13,183</u>	<u>(7,418)</u>

	2019 US\$000	Restated 2018 US\$000
Factors affecting tax charge for the year		
Profit on ordinary activities before tax	189,417	155,990
Tax on profit at standard UK rate of 19.00% (2018: 19.00%)	35,989	29,638
Effects of:		
Non-taxable income	(26,965)	(22,807)
Tax arising on partnership profits	1,926	(15,951)
Tax rate changes	412	1,702
Effects of other tax rate differences (bank surcharge)	1,821	-
Total tax charge/(credit) for the year	<u>13,183</u>	<u>(7,418)</u>

BGC GLOBAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****8. TAXATION (continued)**

For reasons explained in the Strategic Report, the 2018 comparatives in this note have been restated, for adjustments to current and deferred tax for years ending 31 December 2017 and 31 December 2018. Overpayment relief claims will soon be submitted for years ending 31 December 2017 and 31 December 2018 to claim the tax benefit from HMRC.

Factors that may affect future tax charges

The effective statutory corporation tax rate for the year ended 31 December 2019 is 19%. Finance Act 2016 which was substantively enacted on 6 September 2016 confirmed that the rate of corporation tax would reduce to 17% from 1 April 2020. However, the Budget on 11 March 2020 confirmed that the rate reduction to 17% will now not go ahead and the corporation tax rate will remain at 19%. Also, Budget 2021 provides that the rate of corporation tax will increase to 25% from April 2023. This rate has been substantively enacted in Finance Bill 2021. A 17% rate has been applied to calculate the deferred tax asset as at 31 December 2019, as this was the substantively enacted rate at this date. However, if the 25% rate was applied, the deferred tax asset would be \$11.1m higher.

9. DEFERRED TAX ASSET

	2019 US\$000	Restated 2018 US\$000
Deferred tax assets		
At the beginning of the year	20,156	5,691
Deferred tax charge for the year	3,504	14,465
At the end of the year	23,660	20,156
The deferred tax asset is made up as follows		
Tax losses carried forward	184	1,373
Timing differences on allocation of partnership profits	23,476	18,783
	23,660	20,156

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.

BGC GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. FIXED ASSET INVESTMENTS

	Unlisted Investment
	US\$000
Cost	
As at 1 January 2019 and 31 December 2019	88,102
Net book value	
At 31 December 2019	88,102
At 31 December 2018	<u>88,102</u>

The investment represents the Company's capital contribution of US\$88,102k, as a Limited Partner in BGC Global Holdings, L.P., which provides the Company with 68.5% of the economic rights.

11. DEBTORS

	2019	Restated 2018
	US\$000	US\$000
Amounts owed by group undertakings	323,017	310,306
Loans receivable from group undertakings	959,834	763,116
Other debtors	-	54
Corporation tax	-	1,198
Deferred taxation	23,660	20,156
	<u>1,306,511</u>	<u>1,094,830</u>

Loans receivable from group undertakings includes 44 unsecured loans with BGC Global Holdings LP amounting to US\$960m (2018: US\$763m) each with the same interest rate and repayment terms. Each loan bears interest at 3 Month US Libor plus 4% and is repayable on demand.

Please refer to Note 16 for details on the restatement of balances.

BGC GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. CREDITORS

Amounts falling due within one year	Restated	
	2019	2018
	US\$000	US\$000
Amounts owed to group undertakings	105,856	73,391
Loans payable to group undertakings	30,000	30,000
Other creditors	-	24
Corporation tax	3,006	-
	<u>138,862</u>	<u>103,415</u>
Amounts falling due more than one year		
	2019	2018
	US\$000	US\$000
Loans payable to group undertakings	<u>240,381</u>	<u>240,381</u>

The total amount of loans payable to group undertakings includes US\$270m (2018: US\$270m) of loans payable to GFI Holdings Limited. Of this amount, US\$30m is repayable on demand. All of the loans bear an interest rate of 3.75%.

Please refer to Note 16 for details on the restatement of balances.

13. SHARE CAPITAL

	2019	2018
	US\$000	US\$000
Authorised		
100,000,000 Ordinary shares of \$1 each	<u>100,000</u>	<u>100,000</u>
Allocated, called up and fully paid		
101 Ordinary shares of \$1 each	<u>-</u>	<u>-</u>

The Company has called up share capital of US\$101 (2018: US\$101), which does not show on the note above due to rounding.

BGC GLOBAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****14. RELATED PARTIES TRANSACTIONS**

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

	2019 US\$000	2018 US\$000
Amount due from related party		
Other affiliated entities	1,282,853	1,073,422
	<hr/>	<hr/>
	2019 US\$000	2018 US\$000
Amount due to related party		
Other affiliated entities	376,237	343,772
	<hr/>	<hr/>

15. TURNOVER

The Company is a holding entity and does not undertake any trading activities.

BGC GLOBAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****16. PRIOR YEAR RESTATEMENT**

During the fourth quarter of 2020, the BGC Group identified the theft of UK tax payment related funds. The theft, which occurred over several years ending September 2020, was perpetrated by two individuals associated with the BGC Group and did not involve the operations or business of the BGC Group. Although litigation has commenced against the two individuals seeking recovery of the stolen amounts, a subsidiary of the Company, Tower Bridge International Services LP ('TBIS'), being the group's service provider responsible for dealing with such tax matters for the affected entities, has taken financial responsibility for the theft. TBIS has recognised a provision for the stolen funds and incremental expenses.

The Company has restated the prior year opening balances and amounts in these financial statements relating to the tax effect on its allocation of TBIS' partnership profits. As part of a review of partnership allocations for tax purposes, the Company has also restated for the tax effect of its allocation of profits from BGC European Holdings LP; to agree to the latest tax calculations from its subsidiary partnerships and to update its deferred tax asset for unremitted partnership drawings to agree to the subsidiary partnership's undistributed reserve account balances.

The restatement to the 2018 Income Statement of US\$14,388k includes an amount of \$885k in respect of the tax effect on its allocation of TBIS' partnership profits, US\$9,403k to update its deferred tax asset for unremitted partnership drawings to agree to the subsidiary partnership's undistributed reserve account balances, and US\$4,098k to agree to the latest tax calculations from its subsidiary partnerships. The restatement to the retained earnings at 1 January 2018 of US\$(1,959k) includes US\$(1,102k) in respect of the tax effect on its allocation of TBIS's partnership profits, US\$(156k) for the tax effect of its allocation of profits from BGC European Holdings LP, and US\$ (701k) to agree to the latest tax calculations from its subsidiary partnerships.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 US\$000	Adjustment US\$000	Restated 2018 US\$000
Turnover	-	-	-
Administrative expenses	37	-	37
Income from other fixed asset investments	119,715	-	119,715
Interest receivable and similar income	42,959	-	42,959
Interest payable and expenses	(6,721)	-	(6,721)
Tax charge (charge)/credit	(6,970)	14,388	7,418
Profit and total comprehensive income for the financial year	149,020	14,388	163,408

BGC GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. PRIOR YEAR RESTATEMENT (continued)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	2018 US\$000	Adjustment US\$000	Restated 2018 US\$000
Investments	88,102	-	88,102
Debtors	1,084,532	10,298	1,094,830
Creditors	(345,927)	2,131	(343,796)
Net assets	826,707	12,429	839,136
Called up share capital	-	-	-
Share premium	88,102	-	88,102
Retained earnings	738,605	12,429	751,034
Total equity	826,707	12,429	839,136

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 US\$000	Adjustment US\$000	Restated 2018 US\$000
Retained earnings at 1 January 2018	589,585	(1,959)	587,626
Total comprehensive income for the year	149,020	14,388	163,408
Retained earnings	738,605	12,429	751,034

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent and controlling party is BGC Partners Inc., 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 1022, 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., which is registered in the United States of America. 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.

BGC GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. POST BALANCE SHEET EVENT

COVID-19

Management is considering the potential economic impact to the Company of the COVID-19 pandemic. After reviewing forecasts and making enquiries, the Directors have a reasonable expectation that the Company will continue as a going concern for a period of twelve months from when the financial statements are authorised for issue. The Company acts as a holding company. As part of its going concern review, the Company has stress tested the potential impact of a significant downturn in activity levels of its trading subsidiaries on its profitability. We do not expect there to be a material impact on the financial position of its subsidiaries. The Directors expect the Company to generate positive returns over the next twelve months. For this reason, they continue to adopt the going concern basis in preparing the financial statements. While there remains significant uncertainty regarding the developments of the pandemic and the future economic recovery, the Board has concluded that COVID-19 is a non-adjusting post balance sheet event.

MISAPPROPRIATION OF TAX PAYMENTS AND RESTATEMENT

During the fourth quarter of 2020, the BGC Group identified the theft of UK tax payment related funds. The board has concluded that the theft is an adjusting post balance sheet event. Refer to the restatement note 16 and the Business Review section of the Strategic Report for further details.

There are no other significant events after the balance sheet date.