

**CANTORCO2E LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

FRIDAY



\*A6F0HDSX\*

A14

15/09/2017

#125

COMPANIES HOUSE

# **CANTORCO2E LIMITED**

## **COMPANY INFORMATION**

### **DIRECTORS**

Mr M. A. J. Cooper (resigned 5 February 2016)  
Mr L. D. Rose (resigned 9 February 2017)  
Mr A. G. Sadler (resigned 16 March 2016)  
Mr J. R. Lightbourne (appointed 16 March 2016)  
Mr R. Haley (appointed 4 April 2016)

### **COMPANY SECRETARY**

Mr R. M. Snelling

### **REGISTERED NUMBER**

04191186

### **REGISTERED OFFICE**

One Churchill Place  
Canary Wharf  
London  
E14 5RD

### **INDEPENDENT AUDITORS**

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

# **CANTORCO2E LIMITED**

## **CONTENTS**

|  | <b>Page</b>    |
|--|----------------|
| <b>Strategic Report</b>                      | <b>1 - 2</b>   |
| <b>Directors' Report</b>                     | <b>3 - 4</b>   |
| <b>Directors' Responsibilities Statement</b> | <b>5</b>       |
| <b>Independent Auditors' Report</b>          | <b>6 - 7</b>   |
| <b>Statement of Comprehensive Income</b>     | <b>8</b>       |
| <b>Balance Sheet</b>                         | <b>9</b>       |
| <b>Statement of Changes in Equity</b>        | <b>10</b>      |
| <b>Notes to the Financial Statements</b>     | <b>11 - 15</b> |

## **CANTORCO2E LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **INTRODUCTION**

Cantor CO2e Limited ('the Company') is a member of the Cantor Fitzgerald L.P. group ('Cantor Group'), which is comprised of Cantor Fitzgerald L.P. and its subsidiaries.

Prior to October 2010, the principal activities of the Company were to provide brokerage, information and consulting services for products related to environmental markets, including greenhouse gases, other air pollutants and renewable energy.

The Company operated as a broker both on a name give-up and on a matched principal basis through Cantor Fitzgerald Europe ('CFE'), an associated group company, which is also the head of a group of entities (the 'Group') in CFLP's EU Brokerage Division. It also maintained limited exposure to Clean Development Mechanism ('CDM') brokerage and services revenues and certain other markets.

Since October 2010, the Company has remained active but has not traded.

#### **BUSINESS REVIEW**

The Company surrendered its registration with the then Financial Services Authority in September 2010 and has ceased all brokerage activities. Since October 2010 the Company has been largely inactive with no direct employees and has no intention to actively trade in the future. The Company did not earn any net commissions during the current and the previous year.

During 2012, the Company, as a member of the Cantor Fitzgerald UK VAT group ('VAT Group'), whose representative member is Tower Bridge GP Limited ('TBGP'), an associated subsidiary of CFLP, received a claim from HM Revenue & Customs ('HMRC') of US\$12,566,435 in relation to taxation on historic Carbon Emission Reduction ('CER') and European Union Emission Allowances ('EUEA') trades undertaken by the Company, which the directors, after receiving and reviewing technical arguments from its advisors, believe to be unfounded and intend to vigorously defend.

In September 2013, TBGP, as the representative member of the VAT Group, appealed to the First-tier Tribunal (Tax) of the HM Courts & Tribunals Service. As part of the appeal process, the VAT Group is required to pay or secure the net disputed claim before the appeal can be heard. The directors have determined that due to the historic nature and risk to the recovery of this receivable, it should be fully provided in both the current and prior years.

The directors, in the unlikely possibility of this claim succeeding, have sought and received assurances of financial support in relation to this matter from its ultimate parent, CFLP.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company did not engage in any trading activity during the year and therefore the risks that the Company is open to are limited to foreign exchange risk and liquidity risk.

##### **Foreign exchange risk**

Foreign exchange risk is the risk of potential financial loss as a result of fluctuations in exchange rates. As the Company does not undertake any trading activity and the foreign exchange balances are fully provided for, its risk is reduced.

##### **Liquidity risk**

Liquidity risk is the risk of not having sufficient cash to meet obligations as they fall due. As the Company has a letter of comfort from its ultimate parent, its risk is reduced.

**CANTORCO2E LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Directors do not consider there to be any performance indicators as the Company has ceased trading.

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



**Mr R. Haley**  
Director

Date: *22 August 2017*

## **CANTORCO2E LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to US\$465,674 (2015: loss US\$642,086).

The directors do not recommend a dividend for the period (2015: US\$Nil).

#### **DIRECTORS**

The directors who served during the year were:

Mr M. A. J. Cooper (resigned 5 February 2016)  
Mr L. D. Rose (resigned 9 February 2017)  
Mr A. G. Sadler (resigned 16 March 2016)  
Mr J. R. Lightbourne (appointed 16 March 2016)  
Mr R. Haley (appointed 4 April 2016)

#### **POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS**

The Company made no charitable donations or political donations during the current and prior year.

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

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

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

#### **POST BALANCE SHEET EVENTS**

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

**CANTORCO2E LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**GOING CONCERN AND FUTURE DEVELOPMENTS**

The Company's business activities and financial position are set out in the Strategic Report on pages 1- 2. The Company is no longer actively trading, and there is no intention to do so in the future. The Company has received a letter of support regarding any VAT liabilities to VAT Group members or third parties. Whilst the Company has been loss making in the current year, the Company has sufficient resources, through a letter of support, to cover any liabilities for the foreseeable future.

The directors of the Company therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations for the foreseeable future and for at least 12 months from the approval and signing of the balance sheet. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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



**Mr R. Haley**  
Director

Date: *22 August 2017*

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANTORCO2E LIMITED**

We have audited the financial statements of CantorCO2e Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**Opinion on other matter prescribed by the Companies Act 2006**

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

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

## CANTORCO2E LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANTORCO2E LIMITED

#### 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.



Simon Michaelson (Senior statutory auditor)

for and on behalf of

**ERNST & YOUNG LLP**

Statutory Auditor

25 Churchill Place

Canary Wharf

London

E14 5EY

Date: 22 August 2017

**CANTORCO2E LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

|  | Note | 2016<br>US\$ | 2015<br>US\$ |
|--|------|--------------|--------------|
| Administrative expenses                      |      | (408,690)    | (618,992)    |
| <b>Operating loss</b>                        | 2    | (408,690)    | (618,992)    |
| Interest payable and similar charges         | 5    | (56,984)     | (23,094)     |
| <b>Loss before tax</b>                       |      | (465,674)    | (642,086)    |
| Tax on loss                                  | 6    |              |              |
| <b>Total comprehensive loss for the year</b> |      | (465,674)    | (642,086)    |

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

All amounts relate to discontinued operations as the Company ceased all of its brokerage activities in September 2010 and has since remained largely inactive with no direct employees and has no intention to actively trade in the future.

**CANTORCO2E LIMITED**  
**REGISTERED NUMBER: 04191186**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

|  | Note | 2016<br>US\$        | 2015<br>US\$        |
|--|------|---------------------|---------------------|
| Creditors: amounts falling due within one year | 8    | (13,177,921)        | (12,712,247)        |
| <b>Net current assets</b>                      |      | <u>(13,177,921)</u> | <u>(12,712,247)</u> |
| <b>Total assets less current liabilities</b>   |      | <u>(13,177,921)</u> | <u>(12,712,247)</u> |
| <b>Net liabilities</b>                         |      | <u>(13,177,921)</u> | <u>(12,712,247)</u> |
| <b>Capital and reserves</b>                    |      |                     |                     |
| Called up share capital                        | 9    | 10,495,001          | 10,495,001          |
| Profit and loss account                        |      | (23,672,922)        | (23,207,248)        |
|  |      | <u>(13,177,921)</u> | <u>(12,712,247)</u> |

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



**Mr R. Haley**  
Director

Date: *22 August 2017*

The notes on pages 11 to 15 form part of these financial statements.

**CANTORCO2E LIMITED**

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

|  | Called up<br>share capital<br>US\$ | Profit and<br>loss account<br>US\$ | Total equity<br>US\$ |
|--|------------------------------------|------------------------------------|----------------------|
| At 1 January 2016                            | 10,495,001                         | (23,207,248)                       | (12,712,247)         |
| Loss for the year                            | -                                  | (465,674)                          | (465,674)            |
| <b>Total comprehensive loss for the year</b> | -                                  | (465,674)                          | (465,674)            |
| <b>At 31 December 2016</b>                   | <u>10,495,001</u>                  | <u>(23,672,922)</u>                | <u>(13,177,921)</u>  |

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

|  | Called up<br>share capital<br>US\$ | Profit and<br>loss account<br>US\$ | Total equity<br>US\$ |
|--|------------------------------------|------------------------------------|----------------------|
| At 1 January 2015                            | 10,495,001                         | (22,565,162)                       | (12,070,161)         |
| Loss for the year                            | -                                  | (642,086)                          | (642,086)            |
| <b>Total comprehensive loss for the year</b> | -                                  | (642,086)                          | (642,086)            |
| <b>At 31 December 2015</b>                   | <u>10,495,001</u>                  | <u>(23,207,248)</u>                | <u>(12,712,247)</u>  |

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

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in compliance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102') and with the Companies Act 2006.

The principal accounting policies are described below:

**1.1 Basis of preparation of financial statements**

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

**1.2 Foreign currencies**

The Company's functional currency is US dollars as this is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are initially recorded at the month end exchange rate for the month that the transactions occurred. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are recognised in the profit and loss account.

The balance sheet conversion rate used to convert GBP to USD at 31 December 2016 was 1.2357 (2015: 1.4739).

**1.3 Interest income and expense**

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

**1.4 Taxation**

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

**1.5 Deferred tax**

Deferred tax is recognised in respect of all timing differences which are differences between the Company's taxable profits and total comprehensive income that arise 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 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.

## CANTORCO2E LIMITED

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

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.6 Statement of Cash Flows

The Company held no cash at bank and in hand during the current and prior year. Therefore, a Statement of Cash Flows has not been prepared.

#### 2. OPERATING LOSS

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

|                                | 2016<br>US\$ | 2015<br>US\$ |
|--------------------------------|--------------|--------------|
| Foreign exchange (gain) / loss | (23,198)     | 1,538        |

#### 3. AUDITORS REMUNERATION

|                                   | 2016<br>US\$  | 2015<br>US\$  |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | 30,981        | 35,714        |
|                                   | <u>30,981</u> | <u>35,714</u> |

Auditor's remuneration of US\$30,981 (2015: US\$35,714k) was borne by an associated group entity and no recharge to the Company was made for these costs in 2016 and 2015.

#### 4. DIRECTORS' REMUNERATION

|   | 2016<br>US\$ | 2015<br>US\$ |
|---|--------------|--------------|
| Directors' remuneration                   | 2,000        | 3,000        |
| Remuneration of the highest paid director | 1,000        | 1,000        |

The directors were remunerated by other Group entities in the current and prior year. No recharge to the Company was made for these costs.

#### 5. INTEREST PAYABLE AND SIMILAR CHARGES

|                               | 2016<br>US\$  | 2015<br>US\$  |
|-------------------------------|---------------|---------------|
| Loans from group undertakings | 56,984        | 23,094        |
|                               | <u>56,984</u> | <u>23,094</u> |

## CANTORCO2E LIMITED

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

#### 6. TAXATION

The Company did not incur any tax charges during the year (2015: US\$Nil).

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

|   | 2016<br>US\$ | 2015<br>US\$ |
|---|--------------|--------------|
| Loss on ordinary activities before tax  | (465,674)    | (642,086)    |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%) | (93,135)     | (130,022)    |
| <b>Effects of:</b>  |              |              |
| Unrecognised tax losses carried forward   | 93,135       | 130,022      |
| <b>Total tax charge for the year</b>  | -            | -            |

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The effective statutory corporation tax rate for the year ended 31 December 2016 is 20%. Finance Act 2016 which was substantively enacted on 6 September 2016 confirmed that the rate of corporation tax will reduce to 19% from 1 April 2017 and to 17% from 1 April 2020. A 18% rate has been applied to calculate the unrecognised deferred tax asset as at 31 December 2016.

#### 7. DEFERRED TAXATION

There is no deferred tax provision. A deferred tax asset has not been recognised in respect of tax losses and other timing differences as the asset is not expected to be recovered. The amount of the asset not recognised is approximately US\$4,082,869 (2015: US\$4,221,211).



# CANTORCO2E LIMITED

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

### 8. CREDITORS: Amounts falling due within one year

|                                    | 2016<br>US\$      | 2015<br>US\$      |
|------------------------------------|-------------------|-------------------|
| Other loans                        | 11,191,396        | 11,191,396        |
| Amounts owed to group undertakings | 1,631,839         | 1,325,491         |
| Accruals and deferred income       | 354,686           | 195,360           |
|                                    | <u>13,177,921</u> | <u>12,712,247</u> |

At 31 December 2016, the Company had an on demand loan with CFLP for USD\$11,191,396 (2015: US\$11,191,396). The interest rate charged is USD one month LIBOR.

### 9. SHARE CAPITAL

|   | 2016<br>US\$       | 2015<br>US\$       |
|---|--------------------|--------------------|
| <b>Shares classified as equity</b>        |                    |                    |
| <b>Authorised</b>                         |                    |                    |
| 100,000,000 Ordinary shares of US\$1 each | <u>100,000,000</u> | <u>100,000,000</u> |
| <b>Allotted, called up and fully paid</b> |                    |                    |
| 10,495,001 Ordinary shares of US\$1 each  | <u>10,495,001</u>  | <u>10,495,001</u>  |

### 10. RELATED PARTY TRANSACTIONS

The Company has entered into service arrangements with various parties and an on demand loan with entities that are related by common ownership and control. The intercompany balances held with related parties comprised:

|  | 2016<br>US\$      | 2015<br>US\$      |
|--|-------------------|-------------------|
| Entities with control over the Company | <u>12,823,235</u> | <u>12,516,887</u> |
|  | <u>12,823,235</u> | <u>12,516,887</u> |

#### Shared services

During the year ended 31 December 2016 the net service arrangements expense with BGC European Holdings LP ('BGCEH'), a BGC Group entity, was US\$1,152 (2015: US\$34,524). Included in this fee are costs for support services provided by Tower Bridge International Services L.P. ('TBISLP'), the service entity to the BGC Group and Cantor Group European entities. Also included are costs for BGC Technology Support Services Limited ('BTSSL') and BGC Technology International Limited ('BTIL') in relation to the provision of IT support services (BTSSL provide infrastructure and BTIL provide development). TBISLP, BTSSL and BTIL are all subsidiaries of the BGCEH group.

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

**11. CONTINGENT LIABILITIES**

During 2012, the Company, as a member of the VAT Group, whose representative member is TBGP, an associated subsidiary of CFLP, received a claim from HMRC of US\$12,566,435 in relation to taxation on historic CER and EUEA trades undertaken by the Company, which the directors, after receiving and reviewing technical arguments from its advisors, believe to be unfounded and intend to vigorously defend.

In September 2013, TBGP, as the representative member of the VAT Group, appealed to the First-tier Tribunal (Tax) of the HM Courts & Tribunals Service. As part of the appeal process, the VAT Group is required to pay or secure the net disputed claim before the appeal can be heard. The directors have determined that due to the historic nature and risk to the recovery of this receivable, it should be fully provided for in both the current and prior years.

The directors, in the unlikely possibility of this claim succeeding, have sought and received assurances of financial support in relation to this matter from its ultimate parent, CFLP. The Company may request the assistance of CFLP in paying the disputed amount to HMRC.

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The registered office of the Company is One Churchill Place, London E14 5RD. The Company is incorporated and registered in England and Wales.

The immediate parent company is CantorCO2e, LLC, a limited liability company registered at 499 Park Avenue, New York, United States of America.

The ultimate and controlling party and the largest group into which the accounts are consolidated is Cantor Fitzgerald, L.P., a limited partnership registered at 499 Park Avenue, New York, United States of America. The financial statements are not publicly available for Cantor Fitzgerald, L.P..