

**Registered number: 07129437**

**GFI MARKETS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**WEDNESDAY**



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**COMPANIES HOUSE**

## **GFI MARKETS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	Mr D. A. Denysen	(appointed 3 March 2022)
	Mr G. E. Dale	
	Mr B. Singh	
	Mr J. R. Martin	
<b>Company secretary</b>	Mr R. M. Snelling	
<b>Registered number</b>	07129437	
<b>Registered office</b>	1 Snowden Street London EC2A 2DQ	
<b>Independent auditor</b>	Ernst & Young LLP 25 Churchill Place London E14 5EY	

## **GFI MARKETS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Principal activities**

GFI Markets Limited (the 'Company') acts as a holding company for two regulated subsidiaries, GFI Brokers Limited and GFI Securities Limited, which act as wholesale brokers in the securities market and are regulated by the Financial Conduct Authority. A third subsidiary, Brains Inc Limited ('Brains') is in liquidation.

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

#### **Business review and key performance indicators**

The Company is solely an investment holding company. The directors regard profit before tax US\$19,982k (2020: US\$25,177k) and the underlying value for its investments US\$292,875k (2020: US\$292,875k) as the key performance indicators for the business.

#### **Group reconstruction and US\$20,000k dividend income**

On 1 November 2021, as part of a group reconstruction, GFI Securities Limited, acquired the FCA regulated business activities and related net assets of GFI Brokers Limited. GFI Brokers Limited transferred the net assets at their carrying value of US\$20,000k as a distribution in specie to GFI Markets Limited, which instantaneously transferred them to GFI Securities Limited for an equivalent US\$20,000k amount of cash consideration.

In accordance with UK GAAP, GFI Markets Limited reallocated \$93,301k of its investment in GFI Brokers Limited to GFI Securities Limited to reflect the business transfer, and the reduced net asset value of GFI Brokers Limited, which resulted in the carrying value of GFI Markets Limited's investment in GFI Brokers Limited being \$41,688k and GFI Securities Limited being \$251,189k as at 31 December 2021.

#### **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:

**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.

## **GFI MARKETS LIMITED**

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

#### **s172(1) Statement: Directors Duty to promote the success of the Company (continued)**

***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:

- 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 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 client 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 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 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:*** while the Company has a single shareholder, GFI EMEA Holdings Limited, the directors understand that it has a broad number of stakeholder groups which includes its valued customers and 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.

## **GFI MARKETS LIMITED**

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

#### **Principal risks and uncertainties**

The Company did not engage in any trading activity during the year and therefore it is not exposed to cash flow, liquidity or operational risks.

#### **Risk Management**

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

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

#### **Valuation risk**

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

#### **Credit risk**

The Company's receivables are due from related parties, thus minimising the potential exposure to credit risk for the Company.

#### **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 making inquiries and reviewing the forecasts of its two regulated subsidiaries, the directors of the Company 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 directors specifically considered the potential impact of a significant downturn in levels of revenue on profitability and regulatory capital surplus of its two regulated subsidiaries that could result from the ongoing global COVID-19 outbreak. The directors do not expect there to be material impact on valuation of the investment in these subsidiaries which could lead to impairment. The directors expect the Company to have adequate resources to be able to meet all its obligations as and when they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**GFI MARKETS LIMITED**

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

**Post Balance Sheet Events**

*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 because the Company does not hold any direct investments in either of these regions and its subsidiaries only have a very small proportion of their trading volumes in those 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 D. A. Denyssen  
Director

Date: 20/01/23

## **GFI MARKETS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for GFI Markets Limited for the year ended 31 December 2021.

#### **Results and dividends**

The profit for the year, after taxation, amounted to US\$19,982k (2020: US\$25,177k).

The directors did not declare any dividend during the year (2020: US\$nil). No final dividend is proposed (2020: US\$nil).

#### **Directors**

The directors who served during the year were:

Mr J. M. Martin	(appointed 1 September 2021)
Mr B. Singh	(appointed 12 May 2021)
Mr G. E. Dale	(appointed 12 May 2021)
Mr R. B. Stevens	(resigned 31 March 2022)
Mr D. J. Fishburn	(resigned 8 December 2021)
Mr J. S. J. Swain	(resigned 27 August 2021)
Mr P. K. C. Naik	(resigned 30 June 2021)
Mr B. Murphy	(resigned 14 May 2021)

#### **Going Concern**

After 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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Please refer to 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 intends to continue as an investment holding company for the foreseeable future and will continue to earn income from its investments.

#### **Directors' indemnities**

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.

**GFI MARKETS LIMITED**

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

**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 auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



Mr D. A. Denysen  
Director

Date: 20/01/23



## **GFI MARKETS LIMITED**

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

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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" ("FRS 102"). 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 judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- in respect of the Company's financial statements, state whether applicable UK Accounting Standards including FRS 102 in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

The 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 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.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GFI MARKETS LIMITED

### Opinion

We have audited the financial statements of GFI Markets 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 14 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 twelve 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 there is 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 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.

## Auditor's responsibilities for the audit of the financial statements

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

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

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006, Financial Reporting Standard 102, and tax legislation (governed by HM Revenue and Customs).
- We understood how the Company is complying with these legal and regulatory frameworks through enquiries of management and those responsible for legal and compliance matters. We also reviewed the minutes of the Board, made enquiries with management of 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 control 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 and revenue recognition outside the normal course of business to be fraud risks. 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, policies and correspondence with relevant authorities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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

*Ernst & Young LLP*

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

23 January 2023

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

	Note	2021 US\$000	2020 US\$000
Turnover	3	20,000	25,000
Administrative expenses		(18)	(18)
<b>Operating profit on ordinary activities</b>	4	<u>19,982</u>	<u>24,982</u>
Other income		-	195
<b>Profit on ordinary activities before taxation</b>		<u>19,982</u>	<u>25,177</u>
Taxation on profit on ordinary activities	7	-	-
<b>Profit and total comprehensive income for the year</b>		<u><u>19,982</u></u>	<u><u>25,177</u></u>

The notes on pages 15 to 21 form part of these financial statements.

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

**GFI MARKETS LIMITED**  
**REGISTERED NUMBER: 07129437**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 US\$000	2020 US\$000
<b>Fixed assets</b>			
Investments	8	292,875	292,875
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	215,055	195,073
<b>Net current assets</b>		215,055	195,073
<b>Net assets</b>		507,930	487,948
Called up share capital	10	106,332	106,332
Share premium account	11	307,566	307,566
Retained earnings		94,032	74,050
<b>Total shareholder's funds</b>		507,930	487,948

The notes on pages 15 to 21 form part of these financial statements.

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



Mr D. A. Denyssen  
 Director

Date: 20/01/23

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

	Called up share capital US\$000	Share premium account US\$000	Retained earnings US\$000	Total shareholder's funds US\$000
At 1 January 2021	106,332	307,566	74,050	487,948
Profit for the year			19,982	19,982
At 31 December 2021	<u>106,332</u>	<u>307,566</u>	<u>94,032</u>	<u>507,930</u>

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

	Called up share capital US\$000	Share premium account US\$000	Retained earnings US\$000	Total shareholder's funds US\$000
At 1 January 2020	106,332	307,566	48,873	462,771
Profit for the year			25,177	25,177
At 31 December 2020	<u>106,332</u>	<u>307,566</u>	<u>74,050</u>	<u>487,948</u>

The notes on pages 15 to 21 form part of these financial statements.



## **GFI MARKETS LIMITED**

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

#### **1. Statement of compliance**

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

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention on the basis that the Company is a going concern, unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006.

After making inquiries and reviewing the forecasts of its two regulated subsidiaries, the directors of the Company 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 directors specifically considered the potential impact of a significant downturn in levels of revenue on profitability and regulatory capital surplus of its two regulated subsidiaries that could result from the ongoing global COVID-19 outbreak and Russia's invasion of Ukraine, in their analysis. The directors do not expect there to be material impact on valuation of the investment in these subsidiaries which could lead to impairment. The directors expect the Company to have adequate resources to be able to meet all its obligations as and when they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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

##### **2.2 Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires the 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. The Company has identified the following judgements:

###### *Impairment of investment*

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

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.

## **GFI MARKETS LIMITED**

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

#### **2. Accounting policies (continued)**

##### **2.3 Exemptions applied**

As a qualifying entity under FRS 102, the Company has taken advantage of the exemptions in paragraph 9.3 of FRS 102 that permits the Company to apply the exemption, as outlined in section 401 of the Companies Act 2006, in not preparing consolidated financial statements.

The Company has also 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 the 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 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.

##### **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 2021 was 1.354 (2020: 1.367).

##### **2.6 Turnover**

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 dividend income received from its fixed asset investments.

##### **2.7 Dividends**

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

##### **2.8 Fixed asset investments**

Equity investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs). Subsequently, they are stated at cost less any provision for impairment. They are reviewed for impairment at least annually or whenever events or circumstances indicate that the carrying amount may not be recoverable.

## **GFI MARKETS LIMITED**

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

#### **2. Accounting policies (continued)**

##### **2.9 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.

##### **2.10 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 the 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.

**GFI MARKETS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****3. Turnover**

	2021 US\$000	2020 US\$000
Dividends received from subsidiary undertakings	20,000	25,000

On 21 October 2021, the Board of Directors of a subsidiary company, GFI Brokers Limited, declared and authorised payments of US\$20,000k interim dividends to the Company.

**4. Operating profit**

The operating profit is stated after charging:

	2021 US\$000	2020 US\$000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	20	18

The audit fees payable represent the Company's portion of the group audit fees payable relating to the financial year, which are borne by a fellow BGC Group entity and subsequently recharged to the Company.

**5. Staff costs**

GFI Markets Limited is a holding company and did not employ any staff in 2021 and 2020.

**6. Directors' remuneration**

	2021 US\$000	2020 US\$000
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**The total remuneration of the directors of the company for the year was as follows:**

Aggregate remuneration	26	13
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Directors' remuneration for 2021 and 2020 was borne by a fellow BGC Group entity and not recharged to the Company.

**GFI MARKETS LIMITED**

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

**7. Taxation**

	2021 US\$000	2020 US\$000
Current tax	-	-
<b>Taxation on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

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

	2021 US\$000	2020 US\$000
Profit on ordinary activities before tax	19,982	25,177
Tax on profit at standard UK tax rate of 19% (2020: 19%)	3,797	4,784
<b>Effects of:</b>		
Income not taxable	(3,800)	(4,787)
Group relief surrender	3	3
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

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

No deferred tax asset has been recognised on capital losses arising in the year from the liquidation of Brains Inc Limited of US\$818k as it is uncertain when these will be utilised.

**GFI MARKETS LIMITED**

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

**8. Fixed asset investments**

	Equity in subsidiary
	US\$000
<b>Cost</b>	
At 1 January and 31 December 2021	571,347
<b>Impairment</b>	
At 1 January and 31 December 2021	278,472
<b>Net book value</b>	
At 31 December 2020 and 31 December 2021	292,875

A reclassification of \$55,646k during the year increased the amount for cost of fixed asset investments to \$571,347k and the amount of impairment to \$278,472k. The net book value of \$292,875k remained unchanged.

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
GFI Securities Limited	Great Britain	100%	Wholesale broker
GFI Brokers Limited	Great Britain	100%	Wholesale broker
Brains Inc Limited	Great Britain	100%	In liquidation

**9. Debtors**

	2021 US\$000	2020 US\$000
Amount owed by group undertakings	215,055	195,073

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

**10. Share capital**

	2021 US\$000	2020 US\$000
Shares classified as equity		
Allotted, called up and fully paid	106,332	106,332
66,263,178 ordinary shares of £1.00 each.		

## GFI MARKETS LIMITED

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

#### 11. Share premium

	2021 US\$000	2020 US\$000
Share premium	307,566	307,566

On 5 May 2010, the Company issued 33,602,409 ordinary shares of £1 each for consideration of £10 per share, receiving £302,422k (US\$465,015k) as Share Premium.

On 31 August 2011, the Company made a further issuance of one ordinary share of £1 for consideration of £14,247k (US\$23,151k).

During 2013, the Company reduced its Share Premium by US\$180,600k.

#### 12. 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, LP, the ultimate controlling party of the BGC Group.

Related party balances requiring disclosure are as follows:

	2021 US\$000	2020 US\$000
Entities with control over company	215,055	195,073

#### 13. Ultimate parent and controlling party

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

The smallest 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, LP.

#### 14. Post Balance Sheet Events

##### *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 because the Company does not hold any direct investments in either of these regions and its subsidiaries only have a very small proportion of their trading volumes in those 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.