

Registered number: OC371069

BGC SERVICES (HOLDINGS) LLP

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**



BGC SERVICES (HOLDINGS) LLP

INFORMATION

Corporate and Designated Members

BGC European Holdings L.P.
BGCSHLLP Holdings Limited.
BGC Partners L.P.

LLP registered number

OC371069

Registered office

One Churchill Place, Canary Wharf, London, E14 5RD

Board of BGC European Holdings L.P.

Mr J. R. Lightbourne
Mr S. D. Lynn
Mr S. R. McMurray
Mr S. A. Windeatt

Independent auditor

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

BGC SERVICES (HOLDINGS) LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The designated members present their annual report together with the audited financial statements of BGC Services (Holdings) LLP ('the LLP') for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the LLP is as a service entity, providing the services of its staff and members to other BGC Group entities.

The Company 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 part of the Cantor Fitzgerald group which is comprised of Cantor Fitzgerald L.P. and its subsidiaries.

The LLP maintains its holdings in Tower Bridge International Services L.P. ('TBISLP'), BGC Technology International Limited, BGC Technology Support Services Limited, BGC Technology A Limited and BGC Technology B Limited.

CORPORATE AND DESIGNATED MEMBERS

BGCSHLLP Holdings Limited, BGC European Holdings L.P. and BGC Partners, L.P. are the 'Corporate Members' as defined in the Limited Liability Partnership Deed (amended), dated 21 December 2012.

BGCSHLLP Holdings Limited and BGC European Holdings L.P. were the designated members of the LLP throughout the period.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

In the year, 70 people ceased to be employees of GFI Holdings Limited and became members of the LLP. The LLP provides the services of its staff and members to GFI companies such that GFI can provide inter-dealer broker services.

Results

The LLP's revenue in the year was US\$183,368k (2016: US\$138,698k), representing the income received from BGC Group entities for providing the services of its employees and members. The profit for the year amounted to US\$94,624k (2016: US\$42,676k).

Future Developments

The LLP is expected to continue to be a service entity for the foreseeable future and will receive fees for the provision of services to other BGC Group entities.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The LLP faces business, operational, credit, liquidity and foreign exchange risks in the course of its normal business. The members place reliance on the BGC Group's Risk Management function to manage and monitor risks as well as other related matters.

Business risk

Business risk is the ability of the LLP to conduct its business and generate sufficient revenues to support its business. The LLP's revenue is generated from the provision of services by employees and members to other BGC Group entities. The principal risk to the LLP's business is the disruption or loss of business in these related entities. The members and directors of the main BGC Group trading entities believe that those entities will continue to operate as going concerns and that those entities will continue in business for the foreseeable future. The members therefore expect the LLP will continue to provide services to those BGC entities, generating revenues and profits as a result.

BGC SERVICES (HOLDINGS) LLP

MEMBERS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

Operational risk

There is a risk of a direct or indirect loss resulting from the inadequacies or failures in projects, processes or controls due to technology, staff, organisational or external factors. This risk has been mitigated by the implementation of a system of comprehensive policies and a control framework, both of which is designed to provide a sound and controlled operational environment.

Credit risk

Credit risk is the risk borne by BGC Services (Holdings) LLP, of potential loss from a customer or counterparty default. As the LLP provides services only to related parties, credit risk, despite being concentrated, is reduced due to the nature of the relationship. All outstanding intercompany balances are regularly net settled with BGC European Holdings L.P. through the BGC Group's centralised treasury arrangement, thus mitigating the risk of default by the other related parties.

Liquidity risk

Liquidity risk is the risk that the LLP does not have sufficient financial resources to meet its obligations when they fall due or will have to do so at excessive cost. The LLP has its own bank facilities and also participates in the BGC Group's centralised treasury arrangement to meet its liabilities when they fall due.

Foreign exchange risk

The LLP is exposed to risk associated with changes in foreign exchange rates. The LLP's operations generate a significant portion of its expenses in British Pounds. Changes in the revaluation of the LLP's net assets are recorded as part of its operating results and fluctuate with changes in exchange rates. This risk is managed through the BGC Group's daily monitoring and hedging process.

KEY PERFORMANCE INDICATOR

The members regard the profit of the LLP as the only key performance indicator. For the year ended 31 March 2017 the profit was US\$94,624k (2016: US\$42,676k).

GOING CONCERN

The LLP's business activities, together with the principal risks and uncertainties are set out in the Business Review and Future Developments and Principal Risks and Uncertainties sections of this report.

The LLP is in a profit making position, has sufficient liquid assets to meet liabilities as they fall due and is due to receive income from related entities in excess of forecast expenses. The members and directors of the BGC Group trading entities to which the LLP provides services believe that those entities will continue to operate as a going concern. Liquidity is managed on a day to day basis by the BGC Group's treasury department and the LLP participates in the BGC Group's centralised treasury arrangement.

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the approval of the financial statements. The LLP will continue to provide the services of employees and members to other BGC group entities and as such, the financial statements continue to be prepared on a going concern basis.

BGC SERVICES (HOLDINGS) LLP

MEMBERS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

MEMBERS' CAPITAL AND INTERESTS

Details of changes in members' capital in the year ended 31 March 2017 are set out in the notes 15 to 17 of the financial statements.

POST BALANCE SHEET EVENTS

Subsequent to the year end, the LLP requested additional capital contributions from the individual members totalling GBP10.5m (US\$13.1m), which was still in the process of being paid up at the date the financial statements were approved. These capital contributions rank equally with the existing amounts contributed by the individual members.

DISCLOSURE OF INFORMATION TO AUDITORS

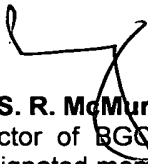
Having made enquiries of fellow designated members and the LLP's auditor, for each designated member at the date of approving this report the following applies:

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

AUDITOR

The auditor, Ernst & Young LLP, has indicated its willingness to continue in office.

This report was approved by the members and signed on their behalf by:



Mr. S. R. McMurray

Director of BGC European G.P. Limited, acting as the general partner of BGC European Holdings L.P. (designated member).

Date: 24/01/2018

BGC SERVICES (HOLDINGS) LLP

MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

The members are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ('LLP Regulations') require the members to prepare financial statements for each financial period. Under that law, the members 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, as applied to LLPs, the members 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 LLP and of the profit and or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies 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 entity will continue in business.

Under the LLP regulations, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members' responsibilities set out above are discharged by the designated members on behalf of the members.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BGC SERVICES (HOLDINGS) LLP

We have audited the financial statements of BGC Services (Holdings) LLP for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part. 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, set out on page 5, the LLP's members 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 Entity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 LLP's affairs as at 31 March 2017 and of its profit 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 to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006

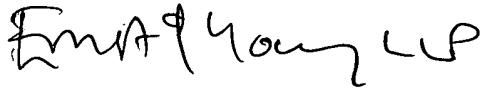
In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BGC SERVICES (HOLDINGS) LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, 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
- 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: 31/01/2018

BGC SERVICES (HOLDINGS) LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 US\$000	2016 US\$000
Turnover		183,368	138,698
Gross profit		<u>183,368</u>	<u>138,698</u>
Administrative expenses		(89,258)	(96,401)
Operating profit	4	<u>94,110</u>	<u>42,297</u>
Interest receivable and similar income	8	<u>514</u>	<u>379</u>
Profit for the year before members' remuneration and profit shares		<u>94,624</u>	<u>42,676</u>
Profit for the financial year available for discretionary division among members		<u>94,624</u>	<u>42,676</u>
Profit and total comprehensive income for the financial year		<u><u>94,624</u></u>	<u><u>42,676</u></u>

Profit for the financial year represents profit before members' remuneration and profit shares available for discretionary division among members.

All amounts relate to continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

BGC SERVICES (HOLDINGS) LLP
REGISTERED NUMBER:OC371069

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 US\$000	2017 US\$000	2016 US\$000	2016 US\$000
Fixed assets					
Investments	9		15,216		15,216
Current assets					
Debtors: amounts falling due within one year	10	158,301		94,829	
Cash at bank and in hand		4,830		6,184	
		<u>163,131</u>		<u>101,013</u>	
Creditors: amounts falling due within one year	11	(19,679)		(21,119)	
Net current assets			<u>143,452</u>		<u>79,894</u>
Total assets less current liabilities			<u>158,668</u>		<u>95,110</u>
Provision for liabilities					
Other provisions	13	-		(64)	
					(64)
Net assets			<u><u>158,668</u></u>		<u><u>95,046</u></u>
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			1,489		1,507
Other amounts	12		27,274		17,271
			<u>28,763</u>		<u>18,778</u>
Members' other interests					
Members' capital classified as equity		15,217		15,217	
Other reserves		114,688		61,051	
			<u>129,905</u>		<u>76,268</u>
			<u><u>158,668</u></u>		<u><u>95,046</u></u>
Total members' interests					
Due from LLP Members			(154,879)		(92,181)
Loans and other debts due to members within one year	12		28,763		18,778
Members' other interests			129,905		76,268
			<u>3,789</u>		<u>2,865</u>

The notes on pages 12 to 22 form part of these financial statements.

BGC SERVICES (HOLDINGS) LLP
REGISTERED NUMBER:OC371069

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



Mr S. R. McMurray

Director of BGC European GP Limited acting as the general partner of BGC European Holdings L.P.
(designated member)

Date: 24/01/2018

BGC SERVICES (HOLDINGS) LLP**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Members' capital (classified as equity) US\$000	Other reserves US\$000	Total equity US\$000
At 1 April 2016	15,217	61,051	76,268
Profit for year for discretionary division among members	-	94,624	94,624
Allocated profit	-	(40,987)	(40,987)
At 31 March 2017	<u>15,217</u>	<u>114,688</u>	<u>129,905</u>

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

	Members' capital (classified as equity) US\$000	Other reserves US\$000	Total equity US\$000
At 1 April 2015	15,217	62,921	78,138
Profit for year for discretionary division among members	-	42,676	42,676
Allocated profit	-	(44,546)	(44,546)
At 31 March 2016	<u>15,217</u>	<u>61,051</u>	<u>76,268</u>

The notes on pages 12 to 22 form part of these financial statements.

BGC SERVICES (HOLDINGS) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. STATEMENT OF COMPLIANCE

BGC Services (Holdings) LLP is a limited liability partnership registered in England and Wales. Its registered office is One Churchill Place, London, E14 5RD. The principal accounting policies for the LLP 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 on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The LLP has not prepared consolidated financial statements. The Statement of Recommended Practice permits the LLP to apply the exemption as set out in FRS 102, in not preparing consolidated financial statements. The LLP and its subsidiaries are included in the publicly available consolidated financial statements of BGC Partners, Inc.

2.2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the members to make judgments, 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 LLP has identified the following judgements:

Bonus accruals

Provisions based on the best estimate of expected discretionary bonus payable that may be incurred.

General litigation expenses

Provision is made where appropriate for claims arising in respect of staff related matters and other legal claims including litigation. Refer to note 13 in the notes to the financial statements.

2.3 Foreign currencies

Transactions in currencies other than US Dollars are recorded at the month-end rate for the month that the transactions occurred.

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Translation differences are recognised in the Statement of Comprehensive Income.

The conversion rate used to translate GBP into USD at 31 March 2017 was 1.250 (2016: 1.437).

BGC SERVICES (HOLDINGS) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2.4 Functional currency

The financial statements are prepared in US Dollars, which is the currency of the primary economic environment in which the LLP operates.

2.5 Cash flow statement

The LLP has taken advantage of the exemption available in FRS 102 from preparing a cash flow statement. The LLP is included in the publicly available consolidated financial statements of the BGC Group which includes a cash flow statement and which are intended to give a true and fair view.

2.6 Investments

Investments in subsidiaries are stated at cost less 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.

2.7 Revenue recognition

Turnover comprises revenue recognised by the LLP in respect of the provision of services by employees and members during the year, exclusive of Value Added Tax.

2.8 Retirement benefit costs

The LLP operates a defined contribution pension scheme for certain employees as determined by their contracts of employment. Contributions are charged to the profit and loss account as they are incurred. The LLP provides no other post-retirement benefits to its employees.

2.9 Provisions

Provisions are recognised when the LLP has a present obligation at the balance sheet date, legal or constructive, arising from a past event that is measurable and it is probable that the LLP will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and they are discounted to present value where the effect is material.

The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability.

2.10 Members' capital

Members' capital from individuals, which is repayable when membership ceases, is accounted for as a liability.

Members' capital from the corporate members, which no member has the direct or indirect right to repayment, has been treated as equity.

BGC SERVICES (HOLDINGS) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2.11 Allocation of profits

Profits are allocated for division amongst members in accordance with the Limited Liability Partnership Deed. The profits received from the service agreements with other BGC Group entities are allocated to the individual members. Any dividends or distributions received by the LLP from the investments in subsidiary companies are allocated to the corporate members. Any remaining profits are allocated at the discretion of the Board.

Amounts paid to members in advance of profit allocation are recoverable from them and are recognised as a financial asset. Profit allocations are recognised as a deduction from equity when payment is no longer discretionary, following finalisation and agreement of the profit allocations by the Board. If the amounts paid to members in advance exceed the profit allocation, the deficit shall be treated as an interest free loan from the LLP which will be repayable from allocations in future periods.

2.12 Taxation

Members are liable to fund all taxation on the allocation of the LLP's profits. Drawings are set aside from individual partners' distribution accounts to fund personal tax liabilities arising from a profit allocation.

2.13 Members' interests

Members' interests include profits to be divided up and other equity reserves. In the event of a winding up, members' interests along with members' capital rank after unsecured creditors.

Total members' interests represent the LLP's equity and members' capital, less any amounts due from members.

2.14 Financial instruments

Recognition

The LLP determines the classification of its financial instruments at initial recognition depending on the purpose for which the financial instruments were acquired and their characteristics, in accordance with the categories outlined below. When financial instruments are recognised initially, they are measured at fair value.

Determination of fair value

Fair value is determined by reference to third party market values where available. Where the LLP has assets and liabilities with offsetting market risks, mid market prices have been used as a basis for establishing the fair values of those positions. Bid prices are used for long positions and offer prices for short positions. Where there is no underlying active market, the fair value is determined using proprietary pricing models which apply appropriate valuation techniques and consider the impact of post period end settlement prices.

The LLP uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

BGC SERVICES (HOLDINGS) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Financial instruments at amortised cost

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 profit and loss account 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 estimated future cash flows deriving from the continued use of that asset and discounted.

3. TURNOVER

The LLP's turnover is attributable to income received from BGC Group entities for providing the services of employees and members.

All significant turnover arose within the United Kingdom in respect of one class of business.

4. OPERATING PROFIT

	2017 US\$000	2016 US\$000
Foreign exchange loss / (gain)	807	(22)

5. AUDITORS REMUNERATION

The auditor's remuneration for 2017 and 2016 was borne by a fellow BGC Group entity and subsequently recharged to the LLP.

	2017 US\$000	2016 US\$000
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	178	187
	<u>178</u>	<u>187</u>

BGC SERVICES (HOLDINGS) LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017****6. STAFF COSTS**

	2017 US\$000	2016 US\$000
Wages and salaries	60,135	70,923
Social security costs	5,673	8,318
Pension costs	195	236
	<u>66,003</u>	<u>79,477</u>

The average monthly number of persons (excluding members with contracts of employment) employed during the year was as follows:

	2017 No.	2016 No.
Employees	<u>376</u>	<u>391</u>

7. INFORMATION IN RELATION TO MEMBERS

	2017 Number	2016 Number
The average number of members during the year were	<u>268</u>	<u>186</u>

	2017 US\$000	2016 US\$000
The amount of profit attributable to the members with the largest entitlement was	<u>1,138</u>	<u>782</u>

There were three corporate members during the year to 31 March 2017 (2016: three), BGCSHLLP Holdings Limited, BGC European Holdings L.P. and BGC Partners L.P.

During the year, US\$40,987k (2016: US\$44,546k) of profits in respect of the prior period were allocated to members of the LLP.

8. INTEREST RECEIVABLE

	2017 US\$000	2016 US\$000
Interest on bank deposits	5	15
Other interest receivable	509	364
At 31 March 2017	<u>514</u>	<u>379</u>

BGC SERVICES (HOLDINGS) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

9. INVESTMENTS

	2017 US\$000
Cost	
At 1 April 2016	15,216
Net book value	
At 31 March 2017	15,216
At 31 March 2016	15,216

Subsidiary undertakings

The LLP maintains holdings in the subsidiary entities, Tower Bridge International Services L.P., BGC Technology International Limited, BGC Technology Support Services Limited, BGC Technology A Limited and BGC Technology B Limited. Under the terms of the Limited Liability Partnership Deed, the designated members, who had originally contributed their holdings in the subsidiary entities to the LLP, have beneficial interests in the profits of those subsidiaries.

As at 31 March 2017, the LLP has the following trading subsidiaries:

Name	Country of incorporation	Class of shares	Holding	Principal activity
BGC Technology international Limited	UK	Ordinary	100%	Service entity
BGC Technology Support Services Limited*	UK	Ordinary	100%	Service entity
Tower Bridge International Services L.P.^	UK	Ordinary	52%	Service entity

*Entity is not a direct subsidiary of the LLP.

^Remaining holding is owned by another entity in the Cantor Group.

10. DEBTORS

	2017 US\$000	2016 US\$000
Other Debtors	3,420	2,631
Prepayments and accrued income	2	17
Amounts due from members	154,879	92,181
	<u>158,301</u>	<u>94,829</u>

BGC SERVICES (HOLDINGS) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

11. CREDITORS: Amounts falling due within one year

	2017 US\$000	2016 US\$000
Other taxation and social security	16,572	10,299
Accruals	3,107	10,820
	<u>19,679</u>	<u>21,119</u>

During the year amounts retained by the LLP in respect of member's tax liabilities were re-classified from other taxation and social security to other amounts due to members. At the balance sheet date, the tax retained by the LLP in respect of member's tax liabilities was \$27,274k (2016:\$17,271k).

12. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2017 US\$000	2016 US\$000
Member capital treated as debt	1,489	1,507
Amounts due to members	27,274	17,271
	<u>28,763</u>	<u>18,778</u>

Loans and other debts due to members is subordinate to debts due to ordinary creditors in the event of a winding up.

13. PROVISION FOR LIABILITIES

	Litigation and other claims US\$000
At 1 April 2016	64
Utilised in the year	(64)
	<u>-</u>

Litigation and other claims

The provision for liabilities and other claims relate to claims received by the LLP in the normal course of business in respect of employee related matters and other legal claims. Where appropriate, provision is made for claims arising, representing the expected cost to the LLP of settling such claims. Instances of litigation are typically expected to settle within two years.

BGC SERVICES (HOLDINGS) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

14. PENSION COMMITMENTS

The BGC Group operates a money purchase pension scheme and as such any contributions are recognised in the profit and loss account as they fall due. At 31 March 2017 there were US\$nil (2016 US\$116k) outstanding contributions to the scheme. The final pension obligation to employees and former employees is with the external pension providers so there are no pension commitments for the LLP.

15. MEMBERS' INTERESTS

Members' income account represents profits available for discretionary division to be allocated to individual members after the finalisation of the financial statements. Members draw a proportion of their share of profit during the financial period, with the residual profit being distributed at the discretion of the Board, subject to the cash requirements of the LLP and in accordance with the Limited Liability Partnership Deed.

The capital contribution of the individual members is specified in a Deed of Adherence executed by each individual member. These amounts are repayable to the member when membership ceases, except in the event where the members' distribution account is in deficit or the LLP has incurred losses for the period where the amount repaid shall be reduced by these amounts.

BGC SERVICES (HOLDINGS) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. RECONCILIATION OF MEMBERS' INTERESTS

	Members' capital (classified as equity) US\$000	Members' income account US\$000	Loans and debts due to members less any amounts due from members in debtors US\$000	Total US\$000
Members' interest: balance at 1 April 2016	15,217	61,051	(73,403)	2,865
Profit for the period	-	94,624	-	94,624
	<u>15,217</u>	<u>155,675</u>	<u>(73,403)</u>	<u>97,489</u>
Allocated profit in respect of prior year	-	(40,987)	40,987	-
Capital returned to members	-	-	(18)	(18)
Drawings net of tax	-	-	(93,682)	(93,682)
Members' interests at 31 March 2017	<u>15,217</u>	<u>114,688</u>	<u>(126,116)</u>	<u>3,789</u>

Loans and debts due to members less any amounts due from members in debtors can be analysed as follows:

	2017 US\$000	2016 US\$000
Members capital classed as liability	1,489	1,507
Other amounts due to members	27,274	17,271
Loans and other debts due to members	<u>28,763</u>	<u>18,778</u>
Amounts due from members included in debtors (note 10)	(154,879)	(92,181)
	<u>(126,116)</u>	<u>(73,403)</u>

BGC SERVICES (HOLDINGS) LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017****17. CORPORATE MEMBERS' INTERESTS**

	2017 US\$000	2016 US\$000
Corporate Members' Capital Account BGCSHLLP Holdings Limited		
As at 1 April	1	1
As at 31 March	<u>1</u>	<u>1</u>
BGC European Holdings L.P.		
As at 1 April	12,538	12,538
As at 31 March	<u>12,538</u>	<u>12,538</u>
BGC Partners, L.P.		
As at 1 April	2,678	2,678
As at 31 March	<u>2,678</u>	<u>2,678</u>
Total Corporate Members' Capital at 31 March	<u><u>15,217</u></u>	<u><u>15,217</u></u>

18. FINANCIAL INSTRUMENTS

	2017 US\$000	2016 US\$000
Financial assets measured at amortised cost		
Amounts due from members	154,879	92,181
Prepayments and accrued income	2	17
Cash at bank and in hand	4,830	6,184
Other debtors	<u>3,420</u>	<u>2,631</u>
	<u><u>163,131</u></u>	<u><u>101,013</u></u>
Financial liabilities measured at amortised cost		
Other taxation and social security	16,572	10,299
Accruals	3,107	10,820
Member capital treated as debt	1,489	1,507
Amounts due to members	<u>27,274</u>	<u>17,271</u>
	<u><u>48,442</u></u>	<u><u>39,897</u></u>

BGC SERVICES (HOLDINGS) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

19. RELATED PARTIES

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

	2017 US\$000	2016 US\$000
Amount due from related party		
Entities with control over the LLP	68,307	31,186
Total	<u>68,307</u>	<u>31,186</u>

Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the LLP are considered to be key management personnel. Total remuneration in respect of these individuals was \$3k (2016: \$3k), and the remuneration of the highest paid manager was \$1k (2016: \$1k).

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent and controlling party is BGCSHLLP Holdings Limited, which is registered in England and Wales. The ultimate controlling party is Cantor Fitzgerald, LP, which is registered at 499 Park Avenue, New York, NY 10022, United States of America.

The smallest group to make its financial statements publicly available into which the results of the LLP are consolidated is BGC European Holdings LP, a limited partnership registered in England and Wales. The largest group into which the results of the LLP are consolidated is Cantor Fitzgerald, L.P.

21. POST BALANCE SHEET EVENTS

Subsequent to the year end, the LLP requested additional capital contributions from the individual members totalling GBP10.5m (US\$13.1m), which was still in the process of being paid up at the date the financial statements were approved. These capital contributions rank equally with the existing amounts contributed by the individual members.