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Talos Securities Limited

Annual report for the year ended

31 December 2007

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Talos Securities Limited

Annual report for the year ended 31 December 2007

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Company information

Directors

V Taupin
R Blanco
P Greetham
B Cunningham
W Kett

Company Secretary

V Steadman

Registered office

Boatman's House
2 Selsdon Way
London
E14 9LA

Company number

4196325

Auditors

Deloitte & Touche LLP
London

Talos Securities Limited

Report of the directors for the year ended 31 December 2007

The directors present their report together with the audited financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company is the provision of execution only stock-broking services

Business review

During the year under review,

- the company has had its first full year operating under the new structure put in place at the end of 2006, which has contributed to the successful year the company has enjoyed
- the company's revenue increased by 108% over the prior year and profit after tax has similarly improved from £2,657,000 to £4,890,000 This is largely due to the acquisition of the retail customer base of Squaregain Ltd in July 2006

Talos Securities Limited manages its operations as part of Boursorama SA group, therefore the directors consider that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business

The directors expect the general level of activity to continue to grow in the year ahead The risks facing the growth to the company are a principally around the volatility or otherwise of the stock market in the UK

There have been no significant events since the balance sheet date

Financial risk management objectives and policies

The company's activities expose it to liquidity and credit risk

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments the company does not use debt finance and all funds are placed with a major banking corporation

Credit Risk

The company's principal financial assets are bank balances and cash, trade and other receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies

Dividends

The directors do not recommend payment of a dividend for the year ended 31 December 2007 No dividend payment was made in the prior year

Talos Securities Limited

Report of the directors for the year ended 31 December 2007 (continued)

Directors

The directors who held office during the year and as at the date of this report are given below

V Taupin
R Blanco
P Greetham
B Cunningham
W Kett
AN Jamieson (resigned 14 December 2007)

Auditors

Each of the persons who are directors at the date of this report confirms that

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all the steps that that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Talos Securities Limited

Report of the directors for the year ended 31 December 2007 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare accounts for the company in accordance with International Financial Reporting Standards (IFRSs). Company law requires the directors to prepare such financial statements in accordance with International Financial Reporting Standards, the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. Directors are also required to

- properly select and apply accounting policies,
- 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 International Financial Reporting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- prepare the accounts on a going concern basis unless, having assessed the ability of the company to continue as a going concern, management either intends to liquidate the entity or to cease trading, or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 1985.

By order of the Board



V Steadman
Company Secretary

Date 28 March 2008

Independent auditors' report to the shareholder of Talos Securities Limited

We have audited the financial statements of Talos Securities Limited for the year ended 31 December 2007 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


Talos Securities Limited

Independent auditors' report to the shareholder of Talos Securities Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

Date

28 March 2008

Talos Securities Limited**Income Statement for the year ended 31 December 2007**

	Note	2007 £'000	2006 £'000
Revenue	2	23,181	11,121
Operating expenses		(19,039)	(9,684)
Restructuring costs	3	-	(893)
		<hr/>	<hr/>
Operating profit on ordinary activities before interest and taxation		4,142	544
Investment revenue	4	491	142
Fair value adjustment to goodwill	11	(3,169)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	5	1,464	686
Tax on profit on ordinary activities	8	3,346	1,971
		<hr/>	<hr/>
Profit on ordinary activities after taxation		4,810	2,657
		<hr/>	<hr/>
Net profit attributable to equity holders of the company		4,810	2,657
		<hr/>	<hr/>

The accompanying notes are an integral part of this income statement

There are no recognised gains or losses in the year other than the profit for the year

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

All amounts arise from the company's continuing activities

Talos Securities Limited

Statement of changes in equity for the year ended 31 December 2007

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2007		4,689	31,936	458	37,083
Profit for the year		-	-	4,810	4,810
Equity settled share based payments	9	-	-	80	80
		<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007		4,689	31,936	5,348	41,973
		<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this statement of changes in equity

Talos Securities Limited

Balance sheet at 31 December 2007

	Note	2007 £'000	2007 £'000	2006 £'000	2006 £'000
Non-current assets					
Property, plant and equipment	10	269		347	
Goodwill	11	23,179		26,348	
Deferred tax	12	9,279		5,786	
Total non-current assets			32,727		32,481
Current assets					
Trade and other receivables	14	1,107		1,710	
Cash and cash equivalents		12,552		6,381	
Total current assets			13,659		8,091
Current liabilities					
Trade and other payables	16	(4,266)		(3,489)	
Corporation tax liability		(147)		-	
			(4,413)		(3,489)
Total net assets			41,973		37,083
Equity					
Issued share capital	17		4,689		4,689
Share premium			31,936		31,936
Retained earnings			5,348		458
Total equity			41,973		37,083

The financial statements were approved by the board of directors on *28th March* 2008 and signed on its behalf by



P Greetham
Director

The accompanying notes are an integral part of this balance sheet

Talos Securities Limited

Cash flow statement at 31 December 2007

	2007 £'000	2007 £'000	2006 £'000	2006 £'000
Cash flows from operating activities				
Net profit from ordinary activities	4,142		544	
Adjustments for				
Share based payments	80		50	
Depreciation	130		58	
	<hr/>		<hr/>	
Operating cash flows before changes in working capital and provisions		4,352		652
Decrease/(Increase) in trade and other receivables	603		(921)	
Increase in trade and other payables	777		1,878	
	<hr/>	1,380	<hr/>	957
		<hr/>		<hr/>
Net cash from operating activities		5,732		1,609
Cash flows from investing activities				
Purchases of property, plant & equipment and other non current assets	(52)		(104)	
Interest received	491		142	
Purchase of trade	-		(32,000)	
Less cash and working capital included elsewhere in cash flow statement	-		1,536	
	<hr/>	439	<hr/>	(30,426)
Cash flows from financing activities				
Issue of ordinary shares		-		32,000
		<hr/>		<hr/>
Net increase in cash and cash equivalents		6,171		3,183
		<hr/>		<hr/>
Cash and cash equivalents at beginning of period		6,381		3,198
		<hr/>		<hr/>
Cash and cash equivalents at end of period		12,552		6,381
		<hr/>		<hr/>

The accompanying notes are an integral part of this cash flow statement

1 Accounting policies

The financial statements have been prepared under the historical cost convention, in accordance with applicable International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the financial statements comply with Article 4 of the EU IAS Regulation.

The company has adopted *IFRS 7 Financial Instruments Disclosures* during the period.

The following principal accounting policies have been applied consistently in the preparation of these financial statements:

Revenue

Revenue represents commissions, fees, interest margin on client deposits and other charges excluding value added tax, charged for services provided and derives entirely from stock-broking services. Revenue is recognised when the relevant service has been provided to the customer, or the relevant fee or interest has been earned and is receivable.

Foreign currencies

Transactions entered into by in a currency other than the currency of the primary economic environment are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. All exchange differences are taken to the income statement.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost.

Depreciation is calculated to write down the cost of property, plant and equipment to their estimated residual value on a straight-line basis over their estimated useful lives.

Leasehold improvements	10 years
Fixtures and fittings	4 years
Computer equipment	3-5 years

Assets purchased from Squaregain on 3 July 2006 are depreciated over the same periods based on the initial date of purchase by Squaregain.

No depreciation is charged on assets that have not been brought into use.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the assets and liabilities purchased. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

1 Accounting policies (continued)

Pensions

The company operates a group personal pension scheme for the benefit of participating employees. The scheme is defined contribution and contributions are charged to the income statement as they fall due.

Share-based payments

The company has applied the requirements of IFRS 2 share-based payments. Boursorama SA, the intermediate parent company, issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period based on the company's estimate of share that will eventually vest.

Fair value is measured by use of the Black-Scholes Model. The expected life used in the model has been adjusted, based on management best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Taxation including deferred tax

Current 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed as at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial Assets and Liabilities

The company's only financial assets are trade receivables and the company's financial liabilities are trade payables.

Trade receivables

Trade receivables are classified as loans and receivables and are measured on initial recognition at fair value and subsequently, at amortised cost. We have elected to account for investment trade receivables on a trade date basis.

Trade payables

Trade payables are measured on initial recognition at fair value and subsequently, at amortised cost.

Talos Securities Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and demand deposits

2 Revenue

Revenue, which excludes value added tax, relates to commission on broking services, interest margin on client deposits and fees earned, and is wholly attributable to the UK

3 Restructuring costs

The restructuring costs recognised in 2006 totals £893,000, which includes costs of staff redundancies and retention payments on agreed termination terms for those staff who could not be re-deployed and fees for early termination of supplier contracts

4 Investment revenue

	2007 £'000	2006 £'000
Bank interest receivable	491	142

5 Profit from operations

	2007 £'000	2006 £'000
This has been stated after charging		
Staff costs (see note 6)	4,454	1,974
Depreciation of property, plant and equipment	130	58
Operating lease expense	339	212
Audit fees	77	63

Audit fees consist of £57,000 (2006 - £39,000) of fees relating to the audit of Talos Securities Limited with the remainder relating to the audits of other UK subsidiaries of Boursorama

6 Staff Costs

Staff costs (including directors) comprise

	2007 £'000	2006 £'000
Wages and salaries	3,860	1,734
Defined contribution pension cost	228	86
Employer's national insurance contributions and similar taxes	366	154
	4,454	1,974

6 Staff Costs (continued)

The average monthly number of persons (including executive directors) employed by the company during the year was

	2007 Number	2006 Number
Directors	4	2
Customer relations and dealing	39	20
Operational support	20	10
Support services and marketing	27	12
	<u>90</u>	<u>44</u>

7 Directors' emoluments

	2007 £'000	2006 £'000
Aggregate emoluments	605	163
Company contributions to defined contribution pension scheme	46	18
	<u>651</u>	<u>181</u>

The total amount received by directors from Self Trade UK Services Limited for qualifying services to Talos Securities Limited during the year was nil (2006 - £331,000, including £161,000 of compensation for loss of office)

Remuneration disclosed includes amounts paid to the highest paid director as follows

	2007 £'000	2006 £'000
Emoluments	192	45
Company contributions to defined contribution pension scheme	15	5

There are 3 directors in the pension scheme (2006 4)

Talos Securities Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

8 Taxation

	2007 £'000	2007 £'000	2006 £'000	2006 £'000
<i>Current tax expense</i>				
UK corporation tax	147		-	
		147		-
<i>Deferred tax expense</i>				
Previously unrecognised deferred tax assessed as recoverable at the end of the year	(4,800)		(1,971)	
Previously recognised deferred tax asset written off in year	1,307		-	
		(3,493)		(1,971)
At 31 December 2007		3,346		(1,971)

The tax credit for the year can be reconciled to the profit per the income statement as follows

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	1,464	686
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 – 30%)	439	206
Effects of		
Capital allowances for the year in excess of depreciation	39	(49)
Group relief received for nil consideration	-	(172)
Expenses not deductible for tax purposes	976	15
Tax losses provided as deferred tax asset	(4,800)	(1,971)
Tax credit as shown in the income statement	(3,346)	(1,971)

Talos Securities Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

9 Share-based payments

Talos securities limited recognised total expenses of £80,000 related to equity-settled share-based payment transactions in 2007 (2006 £50,000)

Equity-settled share option scheme

Boursorama SA operates an equity-settled share option scheme. A total of 100,000 options were granted to four employees of Talos Securities Limited on 16 June 2006. The options are exercisable at €10.06, which is the average quoted opening market price for the shares for the 20 days prior to the grant date.

The options may only be exercised between 16 June 2009 and 15 June 2013, and the resulting shares cannot be sold before 16 June 2010. Options are forfeited if the employee leaves the Boursorama group before the options vest. The fair value of the options granted is £146,000 which has been estimated using the Black-Scholes model for option pricing.

One employee holding options left the company during 2007. As at 31 December 2007, 75,000 exercisable options remained.

Free shares

Boursorama SA granted a total of 17,500 free shares to 11 employees on 16 June 2006. 50% of the shares will vest on 16 June 2008 and 50% will vest on 16 June 2009, on condition that the employee is still employed within the Boursorama group at that time and that the average quoted opening market price for the shares on the 20 days prior to the vesting date exceeds €10.06, which is the average quoted opening market price for the shares for the 20 days prior to the grant date. The fair value of the free shares granted is £65,000.

Two employees holding free shares left the company during 2007. As at 31 December 2007, 15,000 vestable shares remained.

10 Property, plant and equipment

	Leasehold improvements £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Total £'000
Cost				
At 1 January 2007	198	30	177	405
Additions	-	-	52	52
	<u>198</u>	<u>30</u>	<u>229</u>	<u>457</u>
At 31 December 2007	198	30	229	457
Accumulated depreciation				
At 1 January 2007	(30)	(5)	(23)	(58)
Charge for the year	(59)	(11)	(60)	(130)
	<u>(89)</u>	<u>(16)</u>	<u>(83)</u>	<u>(188)</u>
At 31 December 2007	(89)	(16)	(83)	(188)
Net book value				
At 31 December 2007	109	14	146	269
At 31 December 2006	168	25	154	347

Talos Securities Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

11 Intangible assets

	Goodwill £'000
Cost	
At 1 January 2007	26,348
Additions	-
Fair value adjustment	(3,169)
	<hr/>
At 31 December 2007	23,179
	<hr/>
Provision for impairment	-
	<hr/>
Net book value	
At 31 December 2007	23,179
	<hr/>
At 31 December 2006	26,348
	<hr/>

Goodwill represents the excess of cash consideration over net assets purchased from Squaregain Limited on 3 July 2006. Assets purchased included tax losses not recognised. Recognition of a deferred tax asset in relation to these losses in 2007 has resulted in a fair value adjustment to the book value of goodwill of £3,169,000.

12 Deferred Tax

	2007		2006	
	Amount recognised £'000	Not recognised £'000	Amount recognised £'000	Not recognised £'000
Tax losses	9,279	2,418	5,786	8,193
Capital Allowances	-	276	-	135
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	9,279	2,694	5,786	8,328
	<hr/>	<hr/>	<hr/>	<hr/>

At the balance sheet date, the company has unused tax losses of £42,763,000 (2006 £46,595,000) and capital allowances of £986,000 (2006 £908,000) available for offset against future profits. A deferred tax asset has been recognised in respect of £33,140,000 (2006 £19,287,000) of the trading losses. No deferred tax asset has been recognised in respect of the remaining £8,637,000 (2005 £27,310,000) of trading losses, nor of the capital allowances due to the unpredictability of future profit streams. Losses may be carried forward indefinitely.

13 Investments

The company owns 100% of the ordinary share capital of its subsidiary undertaking, Self Trade UK Nominees Limited, a company incorporated in Great Britain and registered in England and Wales. The subsidiary did not trade during the year, and its capital comprises 2 ordinary shares of £1 each.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Société Générale, a company incorporated in France, and is included in the consolidated accounts of that company.

14 Trade and other receivables due within one year

	2007	2006
	£'000	£'000
Amounts owed by group undertakings	432	988
Other debtors	262	196
Prepayments	95	154
Accrued income	318	372
	<u>1,107</u>	<u>1,710</u>

The directors consider that the carrying amount of trade and other receivables approximates their fair value. All trade and other receivables are non-interest bearing.

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the provision for overdrawn balances. The carrying value of trade receivable best represents the company's maximum exposure to credit risk at the reporting date.

Included in other debtors are amounts past due of £20,000 (2006: £64,000). These assets are determined to be impaired and a provision of £20,000 (2006: £64,000) has been recognised, see note 16. There are no assets that are past due, but not impaired.

15 Client Money

At 31 December 2007, amounts held by Talos Securities Limited on behalf of clients in accordance with the Financial Services Authority ("FSA") Conduct of Business Rules amounted to £354,345,000 (2006: £281,531,000). The company had no beneficial interest in these deposits and accordingly they are not included in the balance sheet.

Talos Securities Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

16 Trade and other payables

	2007 £'000	2006 £'000
Trade creditors	1,101	798
Amounts owed to group companies	446	757
Accruals	2,487	1,741
Provision for losses	20	64
Social security and other taxes	184	129
Other creditors	28	-
	<u>4,266</u>	<u>3,489</u>

The directors consider that the carrying amount of trade and other payables approximates their fair value

17 Called up share capital

	2007 Number	2007 £'000	2006 Number	2006 £'000
Authorised				
Ordinary shares of £1 each	4,700,000	4,700	4,700,000	4,700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allotted and fully paid				
Ordinary shares of £1 each	4,688,510	4,689	4,688,510	4,689
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Operating leases

At 31 December 2007 the company has total future minimum lease payments due as follows

	2007 £'000	2006 £'000
Land and buildings		
Within one year	324	324
Within two to five years	270	594
	<u>594</u>	<u>918</u>

19 Parent undertaking and controlling party

The immediate parent is Talos Holdings Limited, whose immediate parent undertaking is Boursorama S A, which is incorporated in France. It has included the company in its group financial statements, which is the smallest group into which the company's results are consolidated. Copies of the consolidated accounts are available from 18 Quai du Pont du Jour, 92100 Boulogne-Billancourt, France.

The ultimate parent undertaking and controlling party is Société Générale which is incorporated in France. Copies of the Société Générale group financial statements, which is the largest group into which the company's results are consolidated, are available from 92972 Paris-La Défense, Cedex, France.

20 Related party disclosures

Transactions between the company and its fellow subsidiary companies are summarised below

Related company	Purchase of goods and services		Sale of goods and services		Amounts owed to related parties		Amounts owed from related parties	
	Year	Year	Year	Year	Year	Year	Year	Year
	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended
	2007	2006	2007	2006	2007	2006	2007	2006
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Boursorama SA	-	-	-	-	475	475	-	-
Talos Holdings Limited	-	97	-	-	245	245	-	-
Self Trade UK Services Limited	-	1,006	-	-	-	-	348	348
Self Trade UK Marketing Services Limited	74	224	-	22	74	37	-	-
Squaregain Limited	7,877	2,949	2,265	1,132	1,147	447	432	640

Self Trade UK Services Limited and Self Trade UK Marketing Services Limited are related parties because they are fellow subsidiaries of Talos Holdings Limited. Squaregain Limited is a related party because it is a fellow subsidiary of Société Générale.

The remuneration of directors, who are the key management personnel of the company, consists of short term employee benefits of £651,000 (2006: £181,000). Further information about the remuneration of directors is provided in note 7 to the accounts.

21 Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising its return to stakeholders.

The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued share capital, share premium and retained earnings as disclosed on the balance sheet and note 17.

The company's capital risk management strategy is determined by an ongoing adherence to FSA regulations. The company is governed by the relevant sections of the FSA handbook pertaining to a BIPRU €125,000 Limited Licence Firm. The company's capital risk management strategy has not changed from the prior year.