

Talos Holdings Limited

Annual report and financial statements

for the year ended 31 December 2013

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Talos Holdings Limited

Annual report for the year ended 31 Dec 2013

Contents

Page:

1	Directors' report
3	Independent auditors' report
5	Statement of comprehensive income
6	Statement of financial position
7	Statement of changes in equity
8	Cash flow statement
9-15	Notes to the financial statements

Company information

Talos Holdings Limited is a company incorporated in the United Kingdom.

Directors

A Buffet (Appointed 24 October 2013)
M Cheval
P Sommelet

Company Secretary

M Lloyd (Appointed 24 October 2013)

Registered office

Boatman's House
2 Selsdon Way
London
E14 9LA

Company number

4510595 (registered in England and Wales)

Auditors

Ernst & Young LLP
1 More London Place
SE1 2AF
London

Talos Holdings Limited

Report of the directors for the year ended 31 December 2013

The directors present their report together with the audited financial statements for the year ended 31 December 2013.

Directors

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

A Buffet (Appointed 24 October 2013)
P Greetham (Resigned 24 October 2013)
P Sommelet
M Cheval

Patrick Sommelet is nominated as director of the Company by the Boursorama S.A. Board. He does not receive any additional benefits as compensation for the performance of his role as director of the Company.

Dividends

During 2013 no dividend was paid relating to 2012 (2012: no dividend was paid relating to 2011). The directors do not recommend payment of a final dividend for the year ended 31 December 2013.

Going Concern

Talos Securities Limited, the main operating company within the group, the directors have decided will be wound down, as such these financial statements of the holding company, like Talos Securities Limited have been prepared on a basis other than going concern. Please refer to note 1 for further details.

Disclosure of information to the 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 each of the directors has taken all the steps that that he ought to have taken as a director in order to make himself 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 2006.

Auditors

Ernst & Young LLP 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.

Statement of directors' responsibilities

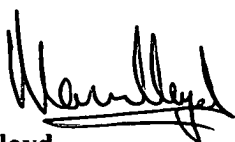
The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Company law requires the directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that financial year. In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements of IFRS 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
- state that the company has complied with IFRS, subject to any material departures disclosed and explained in the Financial Statements.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board



M Lloyd
Company Secretary

Date 30/09/2014

Independent auditors' report to the members of Talos Holdings Limited

We have audited the financial statements of Talos Holdings Limited for the year ended 31 December 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. As set out in note 1, these financial statements have been prepared on a basis other than going concern.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Talos Holdings Limited

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 requires us to report to you if, in our opinion:

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



*Simon Michaelson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom*

Date 30.9.14

Talos Holdings Limited**Statement of comprehensive income for the year ended 31 December 2013**

	Note	2013 £'000	2012 £'000
Investment Revenues	2	1	10
Impairment of investment	14	(49,010)	
Finance costs		-	-
		<hr/>	<hr/>
Profit before taxation	3	(49,009)	10
Income tax expense	6	-	-
		<hr/>	<hr/>
Profit after taxation		(49,009)	10
		<hr/>	<hr/>
Profit for the year		(49,009)	10
		<hr/>	<hr/>
Total comprehensive income for the year		(49,009)	10
		<hr/>	<hr/>

The accompanying notes are an integral part of this statement of comprehensive income.

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

All amounts arise from the company's continuing activities.

Talos Holdings Limited

Statement of financial position at 31 December 2013

	Note	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Non-current assets					
Investments	7	12,314		43,124	
		<u> </u>		<u> </u>	
Total non-current assets			12,314		43,124
Current assets					
Trade and other receivables	8	1		1	
Cash and cash equivalents		111		110	
		<u> </u>		<u> </u>	
Total current assets			112		111
Total current liabilities			-		-
			<u> </u>		<u> </u>
Total net assets			12,426		43,235
			<u> </u>		<u> </u>
Equity					
Share capital	9		11,933		6,845
Share premium			49,446		36,334
Retained earnings			(48,953)		56
			<u> </u>		<u> </u>
Total equity			12,426		43,235
			<u> </u>		<u> </u>

The financial statements were approved and authorised for issue by the board of directors on 30/09/2014 and signed on its behalf by:

**A Buffet
Director**



The accompanying notes are an integral part of this statement of financial position.

Talos Holdings Limited**Statement of changes in equity for the year ended 31 December 2013**

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2012	6,467	33,712	46	40,225
Profit for the year	-	-	10	10
Issue of share capital	378	2,622	-	3,000
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	6,845	36,334	56	43,235
Profit for the year	-	-	(49,009)	(49,009)
Issue of share capital	5,088	13,112	-	18,200
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	<u>11,933</u>	<u>49,446</u>	<u>(48,953)</u>	<u>(12,426)</u>

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

Talos Holdings Limited

Cash flow statement for the year ended 31 December 2013

	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Operating activities				
(Increase)/decrease in receivables	-		251	
	<hr/>		<hr/>	
Net cash flows from operating activities		-		251
Investing activities				
Interest received	1		10	
	<hr/>		<hr/>	
Net cash flows from investing activities		1		10
Financing activities				
Proceeds from share issue	18,200		3,000	
Purchase of ordinary shares	(18,200)		(6,500)	
	<hr/>		<hr/>	
Net cash flows from financing activities		-		(3,500)
		<hr/>		<hr/>
Net increase/(decrease) in cash and cash equivalents		1		(3,239)
		<hr/>		<hr/>
Cash and cash equivalents at 1 st January		110		3,349
		<hr/>		<hr/>
Cash and cash equivalents at 31st December		111		110
		<hr/>		<hr/>

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

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

As required by IAS 1.25, the directors are disclosing these financial statements have not been prepared on a basis other than going concern as on 1st May 2014 the directors announced that the intention was to sell the customer portfolio of the main operating company within the group, Talos Securities Limited, and wind down the business in a solvent and orderly manner.

Even though the public announcement that the main operating company, Talos Securities Limited, would be wound down was made on the 1st May 2014, after the balance sheet date of these financial statements, it was known by the directors of the company at the balance sheet date that one of the strategic options that was being considered for the group was finding a buyer for the customer portfolio and winding down the business in an orderly and solvent manner. Given the lack of certainty over the company's future at the balance sheet date and the desire to reflect the most up to date information at the date of preparation of these financial statements, is the rationale for these statements being prepared on a basis other than going concern. The recoverability of the investment in Talos Securities Limited by Talos Holdings Limited, for the same reasons, was impaired down to the likely recoverable amount in these financial statements using the most up to date information at the time of preparation of these financial statements. A description of how the impairment of the investment was calculated is given in Note 14.

These statements were previously prepared on a basis of going concern. The impact of changing the basis from going concern to other than going concern is assets and liabilities were assessed for impairment and where appropriate adjusted to their likely recoverable amount. As such investment of Talos Holdings Limited in Talos Securities Limited was impaired, this is disclosed in more detail in Note 14. Intercompany amounts receivable and cash at bank were not impaired as they are expected to be recoverable in full at their current value.

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds, except when otherwise indicated.

Significant accounting judgements, estimates and assumptions

In the process of applying these accounting policies, management has exercised judgement and estimates in determining the amounts recognised in the financial statements. The most significant uses of judgement and estimates are as follows:

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The investment of Talos Holdings Limited in Talos Securities Limited has been impaired for the reasons described in Note 1 above with further details in Note 14.

Consolidated financial statements

The company has not prepared consolidated financial statements by virtue of the exemption granted by s400 CA 2006 (subsidiary undertaking of EEA).

Investment revenues

Investment revenues relate to interest income from cash at bank.

Finance Costs

Finance costs are recognised in profit or loss in the period in which they are incurred.

Investments

Investments comprise ordinary shares in subsidiary holdings. Investments are all held at cost less provision for impairment. The company assesses at each reporting date whether there are any indicators of impairment. If such indication exists, the company makes an estimate of the investment's recoverable amount. The recoverable amount is the higher of the investment's fair value less costs to sell and is determined for an individual investment. Where the carrying amount of investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Taxation including deferred tax

Tax comprises current and deferred tax. Tax is recognised in the income statement except to the extent it relates to items recognised directly in Equity, in which case it is recognised in Equity. Current tax is the expected tax payable on the income for the year, using the rates enacted at the balance sheet date, and any adjustments to the tax payable in respect of previous years.

The company applies IAS 12, Income Taxes. Under the asset and liability method of IAS 12, deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognised in the income statement, unless related to items directly recognised in equity, in the year the new laws are substantively enacted. Deferred tax assets are recognised to the extent that the directors consider that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Financial Assets

The company's only financial assets other than cash are other receivables

Other receivables

Other receivables are classified as loans and receivables under IAS 39 and are measured on initial recognition at transaction cost that is directly attributable to the acquisition and are subsequently carried at the lower of their original transaction value and recoverable amount. Provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Other financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into, and are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

2 Investment revenues

	2013 £'000	2012 £'000
Interest received	1	10
	<u>1</u>	<u>10</u>

3 Loss on ordinary activities

Audit fees of £5,000 (2012: £5,000) and other costs relating to the company are borne by a subsidiary company, Talos Securities Limited.

4 Directors' remuneration

The company did not pay any remuneration during the year or in the prior year.

5 Employees

The company had no employees during the year or in the prior year.

6 Taxation

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

	2013 £'000	2012 £'000
Loss on ordinary activities before tax	(49,009)	10
	<u>(49,009)</u>	<u>10</u>
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	11,394	2
Effects of:		
Utilisation of prior year losses	-	(2)
Utilisation of management expenses b/f	-	-
Non-deductible expenditure	(11,394)	-
	<u>(11,394)</u>	<u>(2)</u>
Tax charge/(credit) as shown in the statement of comprehensive income	-	-

A reduction in the UK corporation tax rate from 24% to 23% was substantively enacted to be effective from 1 April 2013. Further reductions from 23% to 21% have been announced to be effective from 1 April 2014 and from 21% to 20% to be effective from 1 April 2015, both rates have been substantively enacted on 2 July 2013.

The company has surplus management expenses and unrelieved capital allowances amounting to £2,041,000 to carry forward against future profits. Because of the uncertainty over when these are likely to reverse, the corresponding deferred tax asset has not been recognised.

7 Investments

	2013	2012
	£'000	£'000
Cost		
At 1 January	43,124	36,624
Additions	18,200	6,500
Impairments	(49,010)	
	<hr/>	<hr/>
At 31 December	12,314	43,124
	<hr/> <hr/>	<hr/> <hr/>

Name of company	Holding	Proportion of working rights and shares held	Nature of business
Talos Securities Limited	Ordinary shares	100%	Brokerage
Self Trade UK Services Limited	Ordinary shares	100%	Employment
Self Trade UK Marketing Services Limited	Ordinary shares	100%	Marketing
Self Trade UK Nominees Limited*	Ordinary shares	100%	Nominee
ST (UK) Nominees Limited*	Ordinary shares	100%	Nominee

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Société Générale, a company incorporated in France, and is included in the consolidated financial statements of that company.

* These companies are held through Talos Securities Limited.

8 Trade and other receivables due within one year

	2013 £'000	2012 £'000
Amounts owed by group undertakings	1	1
	<u>1</u>	<u>1</u>

All trade and other receivables are non-interest bearing. The directors consider that the carrying amount of trade and other receivables approximates their fair value and also the amount that best represents the company's maximum exposure to credit risk.

9 Share capital

	Number	£'000
Ordinary shares of £1 each		
Issued and fully paid up		
At 1 January 2012	6,467,033	6,467
Share issue	377,834	378
At 31 December 2012	<u>6,844,867</u>	<u>6,845</u>
Share Issue on 22 April 2013	348,028	348
Share Issue on 14 June 2013	1,081,081	1,081
Share Issue on 12 December 2013	3,658,537	3,659
At 31 December 2013	<u>11,932,513</u>	<u>11,933</u>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at the meeting of the company.

The company had three share issues during 2013, details of which are below.

Date	No of shares issued	Cash Raised £	Total £
Issued April 2013	348,028	3,000,000	8.62
Issued June 2013	1,081,081	9,200,000	8.51
Issued December 2013	3,658,537	6,000,000	1.64
	<u>5,087,646</u>	<u>18,200,000</u>	

10 Capital management disclosures

The company's immediate parent, Boursorama SA, adopts a centralised capital management approach, based on an assessment of both regulatory requirements and the economic capital impacts of businesses in the Boursorama group. Disclosures relating to the Boursorama group's capital management can be found in the Boursorama SA annual report and financial statements.

Capital held by the company and managed centrally as part of the Boursorama group comprises share capital and reserves which can be found in the Statement of Financial Position on page 6 of these financial statements.

11 Financial instrument risk management 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 development, 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, 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. The credit risk on other receivables is limited because the counterparties are part of the Boursorama group.

12 Parent undertaking and controlling party

The company's 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 financial statements 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.

13 Related party disclosures

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

Related company	Amounts owed from related parties	
	Year Ended 2013 £'000	Year Ended 2012 £'000
Talos Securities Limited	1	1
Self Trade UK Services Limited	-	-
Self Trade UK Marketing Services Limited	-	-

14 Post balance sheet events

Purchase and issue of shares

Since the balance sheet date, the company has purchased 5,314,010 additional shares for a consideration of £11.0m in Talos Securities Limited.

Since the balance sheet date, the company has issued 6,832,298 additional shares for a consideration of £11.0m to Boursorama SA.

Impairment of investment in Talos Securities Limited

The main operating company within the group Talos Securities Limited, since the balance sheet date, the directors have decided to wind down the business. These financial statements, of the holding company, are consequently prepared on a basis other than going concern.

The investment of Talos Holdings Limited in Talos Securities Limited were assessed for impairment, the value of the investment adjusted by an impairment £49,010k to the current valuation of £12,314k.

The current valuation of the investment was arrived at by performing an assessment of the amount expected to be recovered from Talos Securities Limited when said company is wound down and liquidated, the residual equity being returned to the parent Talos Holdings Limited.

To do this a forecast statement of financial position for Talos Securities Limited was prepared taking the latest available actual statement and projecting it forward to the pre liquidation estimated position; the latest profit forecasts and estimates of amounts of assets and liabilities remaining on the statement of financial position at liquidation were used. The residual equity of Talos Securities Limited at liquidation was estimated to be £12,314k, this the basis of the £49,010k impairment of Talos Holdings Limited's investment in Talos Securities Limited.