

COMPANIES HOUSE  
10 MAR 1993  
10

*Price Waterhouse*



**TORONTO DOMINION HOLDINGS (UK) LTD**  
(Registered Number 1455450)

**DIRECTORS' REPORT AND ACCOUNTS**

**31 OCTOBER 1992**

## **TORONTO DOMINION HOLDINGS (UK) LIMITED**

### **REPORT OF THE DIRECTORS**

The directors have pleasure in presenting their report together with the financial statements for the year ended 31 October 1992.

### **ACTIVITIES AND REVIEW OF THE BUSINESS**

The company is a holding company whose subsidiaries provide financial services.

The balance sheet for the group and the company as at 31 October 1992 together with the profit and loss account for the group for the year then ended appended to this report have been prepared in US dollars since the directors believe this most fairly represents the results of the group's activities which are substantially denominated in that currency. The loss on ordinary activities after taxation for the year was US\$ 7,223,000 (1991: loss of US\$ 3,934,000).

During the year the company issued for cash an additional 7,170,000 redeemable preference shares of US\$ 1 each, at par. The proceeds from this issue were invested in subsidiary companies. Redeemable preference dividends totalling US\$ 6,022,000 were declared and paid during the year (1991: US\$ 3,286,000). No dividend was declared on ordinary shares (1991 : US\$Nil).

### **DIRECTORS AND THEIR INTERESTS**

The directors serving during the year were:

HW Rising (Canadian) Chairman  
AD Waldron (American) Managing Director  
RE Burgess (Canadian)  
WT Brock (Canadian)  
RP Munn (British)

None of the directors had any interest in the share capital of the company or of any other group company which is incorporated in the United Kingdom.

### **AUDITORS**

Price Waterhouse have indicated their willingness to continue in office and a resolution proposing their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

  
J.G. Mulvihill  
Secretary

Triton Court  
14-18 Finsbury Square  
London EC2A 1DB

25 February 1993

*Price Waterhouse*



**AUDITORS' REPORT TO THE MEMBERS OF  
TORONTO DOMINION HOLDINGS (UK) LIMITED**

We have audited the financial statements on pages 3 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and of the Group at 31 October 1992 and of the loss and cashflows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Chartered Accountants  
and Registered Auditor

25 February 1993

**TORONTO DOMINION HOLDINGS (UK) LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 1992**

	<u>Notes</u>	<u>1992</u> US\$'000	<u>1991</u> US\$'000
TURNOVER		33,838	41,212
Interest expense and other charges	2	<u>(31,423)</u>	<u>(48,437)</u>
GROSS PROFIT/(LOSS)		2,415	(7,225)
Administrative expenses		(107)	(117)
Other operating income/(expenditure)		<u>(7,441)</u>	<u>1,439</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(5,133)	(5,903)
TAX ON LOSS ON ORDINARY ACTIVITIES	4	<u>(2,052)</u>	<u>1,969</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	5	(7,185)	(3,934)
Redeemable preference dividends paid		<u>(6,022)</u>	<u>(3,286)</u>
		(13,207)	(7,220)
RETAINED EARNINGS BROUGHT FORWARD		<u>1,576</u>	<u>7,314</u>
		(11,631)	94
Transfer to share capital of applicable translation difference	12,13	1,316	1,464
Transfer to capital reserve on consolidation of applicable translation difference	13	<u>16</u>	<u>18</u>
RETAINED EARNINGS CARRIED FORWARD	13	<u>(10,299)</u>	<u>1,576</u>

**TORONTO DOMINION HOLDINGS (UK) LIMITED**

**CONSOLIDATED BALANCE SHEET - 31 OCTOBER 1992**

	Notes	1992		1991	
		US\$'000	US\$'000	US\$'000	US\$'000
FIXED ASSETS					
Investments	6		182,248		131,214
CURRENT ASSETS					
Debtors	8	360,231		304,284	
Cash		<u>5</u>		<u>5</u>	
		360,236		304,289	
CREDITORS (amounts falling due within one year)	10	<u>(394,805)</u>		<u>(276,070)</u>	
NET CURRENT ASSETS/LIABILITIES			<u>(34,569)</u>		<u>28,219</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			147,679		159,433
CREDITORS (amounts falling due after more than one year)	11		<u>(1,200)</u>		<u>(1,200)</u>
			<u>146,479</u>		<u>158,233</u>
CAPITAL AND RESERVES					
Called up share capital	12		156,631		150,777
Capital reserve on consolidation	13		137		153
Profit and loss account	13		(10,299)		1,576
Other reserves	13		6,000		6,000
Foreign currency translation reserve	13		<u>(5,990)</u>		<u>(273)</u>
			<u>146,479</u>		<u>158,233</u>

Approved by the Board on 25 February 1993

HW Rising )  
AD Waldron ) DIRECTORS

**TORONTO DOMINION HOLDINGS (UK) LIMITED**

**COMPANY BALANCE SHEET - 31 OCTOBER 1992**

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
		US\$'000	US\$'000
<b>FIXED ASSETS</b>			
Investments in subsidiary undertakings	7	166,631	150,777
<b>CURRENT ASSETS</b>			
Debtors	8	75	
Creditors (amounts falling due within one year)		(10,005)	(104)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(9,997)</u>	<u>(29)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>156,634</u>	<u>150,748</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	156,631	150,777
Profit and Loss account		<u>3</u>	<u>(29)</u>
		<u>156,634</u>	<u>150,748</u>

Approved by the Board on 25 February 1993

  
HW Rising

) DIRECTORS

  
AD Waldron

**TORONTO DOMINION HOLDINGS (UK) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 1992**

	<u>Notes</u>	<u>1992</u>		<u>1991</u>	
		US\$'000	US\$'000	US\$'000	US\$'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	(a)		(72,010)		50,518
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Dividend paid		<u>(6,022)</u>		<u>(3,286)</u>	
NET CASH OUTFLOWS FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(6,022)		(3,286)
TAXATION					
Corporation tax		<u>(463)</u>		<u>(19)</u>	
TAX PAID			(463)		(19)
INVESTING ACTIVITIES					
Purchase of term investments		(166,755)		(102,674)	
Sale/redemption of term investments		<u>106,000</u>		<u>60,886</u>	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			<u>(60,755)</u>		<u>(41,788)</u>
NET CASH INFLOW BEFORE FINANCING			<u>(139,250)</u>		<u>5,425</u>
FINANCING					
Issue of Preference Share Capital		(7,170)		(93,000)	
Net (repayments)/drawdowns of loans from group undertakings	(c)	<u>(132,080)</u>		<u>98,429</u>	
NET CASH INFLOW FROM FINANCING			(139,250)		5,429
INCREASE IN CASH AND CASH EQUIVALENTS	(b)		<u>-</u>		<u>(4)</u>
			<u>(139,250)</u>		<u>5,425</u>



# TORONTO DOMINION HOLDINGS (UK) LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### (a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1992</u> US\$'000	<u>1991</u> US\$'000
Operating loss	(5,133)	(5,903)
Decrease in interest receivable and prepaid expenses	4,252	-
Decrease in interest payable and accrued expenses	(117)	(2,862)
Loan loss provisions and write-offs	5,814	13,025
Effects of other deferrals and accruals of operating activity cash flow	<u>(704)</u>	<u>524</u>
Net cash flow from trading activities	4,112	4,784
Net (increase)/decrease in advances to customers	(68,995)	50,958
Net increase in loan loss provisions	(5,814)	(13,025)
Net decrease/(increase) in tax receivable	7	(3,174)
Net increase in interbranch loans	246	7,247
Net decrease in swaps with customers	685	1,084
Net increase/(decrease) in other debtors	<u>(2,251)</u>	<u>2,644</u>
	<u>(72,010)</u>	<u>50,518</u>

### (b) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	US\$ '000
Balance at 1 November 1991	5
Net cash inflow	<u>-</u>
	5
Balance at 31 October 1992	<u>-</u>

### (c) ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital US\$ '000	Loans from Group Undertakings US\$ '000
Balance at 1 November 1991	150,777	276,843
Effect of foreign exchange differences	(1,316)	(13,176)
Cash inflow/(outflow) from financing	<u>7,170</u>	<u>132,080</u>
Balance at 31 October 1992	<u>156,631</u>	<u>395,747</u>

## TORONTO DOMINION HOLDINGS (UK) LIMITED

### NOTES TO THE ACCOUNTS 31 OCTOBER 1992

#### 1 ACCOUNTING POLICIES

##### (1) Accounting Convention

The consolidated financial statements, incorporating the accounts of the parent company and its subsidiary undertakings to 31 October 1992, have been prepared in accordance with applicable accounting standards under the historical cost convention as modified by the accounting policy for investments below. The statements have been prepared in US dollars since the directors consider this most fairly reflects the results of the Group's activities which are substantially denominated in that currency.

##### (2) Currency Translation

For group consolidation purposes transactions, assets and liabilities (including share capital) denominated in currencies other than US dollars are translated into US dollars at spot rates of exchange prevailing at the balance sheet date. Foreign exchange gains or losses arising on translation of transactions of a long-term investment nature and those relating to translations of net equity investments, are taken directly to reserves. Other foreign exchange gains or losses arising on translation are taken through the profit and loss account.

The exchange rate prevailing at the year end was £ 1 = US\$ 1.556 (1991: £ 1 = US\$ 1.7395).

##### (3) Turnover

Turnover represents interest and fees receivable plus income from securities activities in the United Kingdom.

##### (4) Provisions for bad and doubtful receivables

Provisions for bad and doubtful receivables comprise specific and general provisions which are based on the year-end appraisal of their recoverability.

##### (5) Deferred Taxation

No provision is made for deferred taxation arising on timing differences between profits stated in the accounts and profits computed for taxation purposes at the rate of corporation tax applicable at the year-end except if there is a reasonable probability that such taxation will become payable in the foreseeable future.

##### (6) Investments

Investments are stated at cost as adjusted for premiums and discounts on dated investments which are amortised from purchase to maturity on a straight-line basis.

# **TORONTO DOMINION HOLDINGS (UK) LIMITED**

## **NOTES TO THE ACCOUNTS 31 OCTOBER 1992 (CONTINUED)**

### **2 INTEREST EXPENSE AND OTHER CHARGES**

	<u>1992</u> US\$'000	<u>1991</u> US\$'000
Interest payable on deposits from group undertakings repayable within five years	25,067	34,507
Interest on other deposits repayable within five years and overdraft interest	8	473
Addition to the bad or doubtful debt provision	5,814	13,025
Other charges	<u>534</u>	<u>432</u>
	<u>31,423</u>	<u>48,437</u>

### **3 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit/(loss) on ordinary activities before taxation is arrived at after (crediting)/

	<u>1992</u> US\$'000	<u>1991</u> US\$'000
Income from other fixed asset investments	9,494	5,658
Interest receivable from group undertakings	141	1,675
Auditors' remuneration	32	32
Non Audit fees paid to Auditors	44	66

No emoluments were paid to directors during the year (1991: US\$Nil). The company had no direct employees (1991: NIL).

### **4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<u>1992</u> US\$'000	<u>1991</u> US\$'000
Current year:		
UK corporation tax (credit)/charge at 33% (1990: 35%)	-	(3,154)
Dividend tax credits	<u>2,052</u>	<u>1,185</u>
	<u>2,052</u>	<u>(1,969)</u>

# **TORONTO DOMINION HOLDINGS (UK) LIMITED**

## **NOTES TO THE ACCOUNTS 31 OCTOBER 1992 (CONTINUED)**

### **5 HOLDING COMPANY PROFIT AND LOSS ACCOUNT**

The holding company has not presented its own profit and loss account, as permitted by Section 230(1)(b) of the Companies Act 1985. The holding company recorded a profit for the year of US\$ 6,668,000 (1991: US\$ 3,257,000).

### **6 GROUP FIXED ASSETS - OTHER INVESTMENTS OTHER THAN LOANS**

	<u>Nominal Amount</u> US\$'000	<u>Premium</u> US\$'000	<u>Discount</u> US\$'000	<u>Book Value</u> US\$'000
At 31 October 1991	131,196	18	-	131,214
Exchange adjustments	(9,703)	-	-	(9,703)
Additions	166,755	-	-	166,755
Disposals/redemption	(106,000)	-	-	(106,000)
Amortisation of premium/discount	-	(16)	-	(18)
At 31 October 1992	182,248	-	-	182,248

Investments included within fixed assets are stated at their nominal amount together with any premium or discount on acquisition. The premium/discount is amortised in equal monthly instalments up to the maturity date of the instrument.

### **7 HOLDING COMPANY FIXED ASSETS - INVESTMENTS IN SUBSIDIARY UNDERTAKINGS**

	<u>1992</u> US\$'000	<u>1991</u> US\$'000
Investments in subsidiary undertakings at opening exchange rate	150,777	59,241
Translation difference	(1,316)	(1,464)
Additional investments in subsidiary undertakings	<u>17,170</u>	<u>93,000</u>
Investments in subsidiary undertakings at closing exchange rate	<u>166,631</u>	<u>150,777</u>

Investments in subsidiary undertakings are stated at cost.

The company owns the whole of the issued share capital of four companies registered in England and Wales:

Toronto Dominion International Limited  
Toronto Dominion (United Kingdom) Limited

Toronto Dominion Investments Limited  
Toronto Dominion Bank Europe Limited

# **TORONTO DOMINION HOLDINGS (UK) LIMITED**

## **NOTES TO THE ACCOUNTS 31 OCTOBER 1992 (CONTINUED)**

### **8 DEBTORS**

	<u>1992</u> US\$'000	<u>1991</u> US\$'000
Debtors falling due within one year:		
Advances to customers	97,434	84,188
Amounts owed by group undertakings	3,303	3,553
Prepayments and accrued income	2,582	5,214
Tax certificate	-	520
Tax recoverable	<u>8,505</u>	<u>9,515</u>
	111,824	102,990
Debtors falling due after more than one year:		
Advances to customers	<u>248,407</u>	<u>201,294</u>
Total debtors	<u>360,231</u>	<u>304,284</u>

### **9 LOAN COMMITMENTS**

At 31 October 1992 the Group had contracted to make additional advances to customers of US\$ 1,571,116,530 (1991: US\$ 1,879,303,897).

### **10 CREDITORS (amounts falling due within one year)**

	<u>1992</u> US\$'000	<u>1991</u> US\$'000
Amounts owing to group undertakings	394,547	275,643
Accruals and deferred income	<u>258</u>	<u>427</u>
	394,805	276,070

### **11 CREDITORS (amounts falling due after more than one year)**

Amounts owing to group undertakings	<u>1,200</u>	<u>1,200</u>
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The advance of US\$ 1,200,000 matures in June 1994, current interest rate 9.25%.

**TORONTO DOMINION HOLDINGS (UK) LIMITED**

**NOTES TO THE ACCOUNTS 31 OCTOBER 1992 (CONTINUED)**

**12 CALLED UP SHARE CAPITAL**

	<u>1992</u> US\$'000	<u>1991</u> US\$'000
Share capital at opening exchange rate	150,777	59,241
Translation difference	(1,316)	(1,464)
Redeemable preference share issue	<u>7,170</u>	<u>93,000</u>
Share capital at closing exchange rate	<u>156,631</u>	<u>150,777</u>

	<u>1992</u> Number '000	<u>1991</u> Number '000	<u>1992</u> '000	<u>1991</u> '000
<b>Authorised</b>				
Ordinary shares of £1 each	10,000	10,000	<u>£10,000</u>	<u>£10,000</u>
Redeemable Preference Shares of US\$1 each	500,000	500,000	<u>US\$500,000</u>	<u>US\$500,000</u>
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	7,173	7,173	<u>£7,173</u>	<u>£7,173</u>
Redeemable Preference Shares of US\$1 each	145,470	138,300	<u>US\$145,470</u>	<u>US\$138,300</u>

The Redeemable Preference Shares may be redeemed at par at any time at the option of the company. During the year the company issued for cash an additional 7,170,000 redeemable preference shares of US\$ 1 each, at par. The proceeds from this issue were invested in subsidiary companies.

**13 RESERVES**

<b>Group</b>	Capital reserve on consolidation US\$'000	Profit and loss account US\$'000	Other reserves US\$'000	Foreign currency translation US\$'000	Total US\$'000
At 1 November 1991	153	1,576	6,000	(273)	7,456
Retained loss for the year		(13,207)			(13,207)
Translation differences on					
- share capital		1,316			1,316
- capital reserve	(16)	16			-
- consolidation of subsidiary	—	—	—	(5,717)	(5,717)
At 31 October 1992	<u>137</u>	<u>(10,299)</u>	<u>6,000</u>	<u>(5,990)</u>	<u>(10,152)</u>

# TORONTO DOMINION HOLDINGS (UK) LIMITED

## NOTES TO THE ACCOUNTS 31 OCTOBER 1992 (CONTINUED)

Company	Profit and loss account US\$'000
At 1 November 1991	
Retained profit for the year	(29)
	<u>32</u>
At 31 October 1992	3
	<u>          </u>

During the year ended 31 October 1985 Toronto Dominion International Limited, a subsidiary of the company, received from another group company a capital contribution of US\$ 6,000,000, which has been credited directly to other reserves in the consolidated accounts.

### 14 PARENT COMPANY

The company's ultimate parent company is The Toronto-Dominion Bank which is incorporated in Canada. Copies of its group accounts may be obtained from:

Finance and Control Division  
The Toronto-Dominion Bank  
PO Box 1  
Toronto-Dominion Centre  
King St.W and Bay St.  
Toronto  
Ontario M5K 1A2  
Canada