

Toronto Dominion Holdings (UK) Limited

Report and Audited Financial Statements

31 October 2017



Toronto Dominion Holdings (UK) Limited

Registered No: 1455450

Directors

P Walker (British)
J Godfrey (American)
J Jon (Canadian)

Company Secretaries

M Caretta (Italian)
S Dhaliwal (British)

Auditors

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Registered Office

60 Threadneedle Street
London
EC2R 8AP

Directors' report

The directors submit their report and audited financial statements for the year ended 31 October 2017.

Results and dividends

Toronto Dominion Holdings (UK) Limited's ("the Company") results for the year are shown in the statement of comprehensive income on page 7. The total comprehensive income for the year was a loss of C\$59,042 (2016: loss of C\$43,230).

No redeemable preference share dividends were declared or paid during the year (2016: C\$Nil). No dividend on ordinary shares was declared during the year and none is proposed (2016: C\$Nil).

The Company has taken advantage of the small companies' exemption from preparing a Strategic Report.

Principal activity and review of the business

The Company is a holding company whose subsidiaries provide financial services. The Company's activities are not expected to change in the coming year. One non-trading subsidiary, Toronto Dominion International Limited, was dormant for the year ended 31 October 2017.

The key financial performance indicators of the Company during the year were as follows:

	2017	2016	Change
	C\$'000	C\$'000	
Operating loss	(57)	(56)	2%
Loss for the financial year	(59)	(43)	37%
Total shareholder's equity	164,470	164,529	0%

Loss for the financial year has increased due to increase in tax charge on account of adjustment in respect of prior years.

Principal risks and uncertainties

The key financial risks of the Company are disclosed in Note 9 of the financial statements.

Future developments

During the year, the Company continued its principal activity, being that of a holding company. The Company does not anticipate any changes in principal activities in the forthcoming year.

The Company's management is currently considering the nature and extent of risks and uncertainties arising from the United Kingdom (UK) people's vote to leave the European Union (EU) and the impact on the future performance and position of the Company.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Events since the balance sheet date

The directors are not aware of any events subsequent to the year end that would materially affect the financial statements.

Directors and their interests

The directors of the Company who served during the year and subsequently were as follows:

B Smith (American)	-	Director and Chair (resigned 3 November 2016)
P Dixon (British)	-	Director (resigned 10 November 2017)
M Huppke (Canadian)	-	Director (resigned 21 April 2017)
P Walker (British)	-	Director and Chair (appointed 3 November 2016)
J Godfrey (American)	-	Director (appointed 1 July 2017)
J Jon (Canadian)	-	Director (appointed 18 January 2018)

Directors' report (continued)

According to the register of directors, none of the directors has any interests in the share capital of the Company. The interests of the directors in the shares of The Toronto-Dominion Bank ("TD Bank"), the ultimate parent company, are as follows:

Ordinary Shares	<i>At 1 November 2016</i>	<i>Additions/Disposals during the year</i>	<i>At 31 October 2017</i>
P Walker	2,190	61	2,251
P Dixon	819	100	919
	<u>3,009</u>	<u>161</u>	<u>3,170</u>
Share Options	<i>At 1 November 2016</i>	<i>Additions/Disposals during the year</i>	<i>At 31 October 2017</i>
P Walker	-	2,568	2,568
	<u>-</u>	<u>2,568</u>	<u>2,568</u>

Disclosure of information to the auditors

So far as each person who is a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors to prepare their report, of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.


The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In accordance with Section 485 of the Companies Act 2006 a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the board

J Godfrey



Director
21 March 2018

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including Financial Reporting Standard 101 'Reduced Disclosure Framework', and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Toronto Dominion Holdings (UK) Limited

Opinion

We have audited the financial statements of Toronto Dominion Holdings (U.K.) Limited for the year ended 31 October 2017 which comprise the Statement of comprehensive income, the Statement of changes in shareholder's equity, the Balance sheet and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 1-4, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

Independent auditor's report

to the members of Toronto Dominion Holdings (UK) Limited (continued)

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

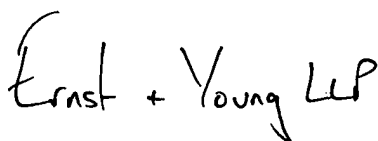
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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



Simon Ludlam (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date 26th March 2018

Statement of comprehensive income

for the year ended 31 October 2017

	<i>Note</i>	<i>2017 C\$'000</i>	<i>2016 C\$'000</i>
Foreign exchange loss		(1)	3
Administrative expenses	3	(42)	(42)
Operating charges		<u>(14)</u>	<u>(17)</u>
Loss on ordinary activities before taxation		(57)	(56)
Tax credit on loss on ordinary activities	4	<u>(2)</u>	<u>13</u>
Loss for the financial year		<u>(59)</u>	<u>(43)</u>
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>(59)</u>	<u>(43)</u>

The accompanying notes on page 10 to 16 form an integral part of the financial statements.

Statement of changes in shareholders equity

for the year ended 31 October 2017

	<i>Called up share capital C\$'000</i>	<i>Profit and loss account C\$'000</i>	<i>Total shareholders equity C\$'000</i>
Balance as at 31 October 2016	126,359	38,170	164,529
Loss for the financial year	-	(59)	(59)
Other comprehensive income	-	-	-
At 31 October 2017	<u>126,359</u>	<u>38,111</u>	<u>164,470</u>

	<i>Called up share capital C\$'000</i>	<i>Profit and loss account C\$'000</i>	<i>Total shareholders equity C\$'000</i>
Balance as at 31 October 2015	126,359	38,213	164,572
Loss for the financial year	-	(43)	(43)
Other comprehensive income	-	-	-
At 31 October 2016	<u>126,359</u>	<u>38,170</u>	<u>164,529</u>


The accompanying notes on page 10 to 16 form an integral part of the financial statements.

Balance sheet

at 31 October 2017

	Note	2017 C\$'000	2016 C\$'000
Non-current assets			
Investment in subsidiary undertakings	5	<u>134,978</u>	<u>134,978</u>
		134,978	134,978
Current assets			
Debtors	6	<u>29,757</u>	<u>29,806</u>
		29,757	29,806
Current liabilities			
Creditors	7	<u>(265)</u>	<u>(255)</u>
Net assets		<u>164,470</u>	<u>164,529</u>
Capital and reserves			
Called up share capital	8	126,359	126,359
Profit and loss account		<u>38,111</u>	<u>38,170</u>
Total shareholder's equity		<u>164,470</u>	<u>164,529</u>

The financial statements were approved by the Board of Directors on 21 March 2018 and signed on their behalf by:


J Godfrey
Director

The accompanying notes on page 10 to 16 form an integral part of the financial statements.

Notes to the financial statements

at 31 October 2017

1. Authorisation of financial statements and statement of compliance with FRS 101

Toronto Dominion Holdings (UK) Limited ("the Company") is domiciled in the United Kingdom. The registered office is located at 60 Threadneedle Street, London EC2R 8AP.

The Company is a wholly-owned subsidiary whose parent company is Toronto Dominion Investments BV and whose ultimate parent company is TD Bank, a Canadian financial institution.

The financial statements of the Company were approved by the Board of Directors on 21 March 2018.

2. Accounting policies

Basis of preparation

The Company follows UK GAAP (United Kingdom Generally Accepted Accounting Practice) and has adopted FRS 101 Reduced Disclosure Framework for all periods presented.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 October 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) Paragraph 8 (k) of FRS 101, exempts a qualifying entity for the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

(b) Paragraph 8 (h) of FRS 101, exempts a qualifying entity for the requirements in IAS 7 to produce a statement of cash flows. The Company is claiming an exemption as the financial statements of its ultimate parent, which include a cash flow statement, are publicly available.

The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand (C\$000), unless otherwise indicated.

Going concern

The financial statements, which should be read in conjunction with the Directors' Report, are prepared on a going concern basis.

Significant accounting policies

The preparation of financial statements in conformity with FRS 101 requires that management make estimates, assumptions and judgements that affect the application of accounting policies regarding the reported amount of assets, liabilities, revenue and expenses.

Financial instruments

An entity shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Offsetting of financial instruments

Financial assets and liabilities are offset, with the net amount presented in the balance sheet only if the Company currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. In all other situations assets and liabilities are presented on a gross basis.

Notes to the financial statements

at 31 October 2017

2. Accounting policies (continued)

Derecognition of financial instruments

Financial Assets

The Company derecognizes a financial asset when the contractual rights to that asset have expired. Derecognition may also be appropriate where the contractual right to receive future cash flows from the asset have been transferred, or where the Company retains the rights to future cash flows from the asset, but assumes an obligation to pay those cash flows to a third party subject to certain criteria.

When the Company transfers a financial asset, it is necessary to assess the extent to which the Company has retained the risks and rewards of ownership of the transferred asset. If substantially all the risks and rewards of ownership of the financial asset have been retained, the Company continues to recognize the financial asset and also recognizes a financial liability for the consideration received. If substantially all the risks and rewards of ownership of the financial asset have been transferred, the Company will derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer. The Company determines whether substantially all the risk and rewards have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows does not change significantly as a result of the transfer, the Company has retained substantially all of the risks and rewards of ownership.

Financial Liabilities

The Company derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires. If an existing financial liability is replaced by another financial liability from the same lender on substantially different terms or where the terms of the existing liability are substantially modified, the original liability is derecognized and a new liability is recognized with the difference in the respective carrying amounts recognized in the balance sheet

Foreign currencies

The Company's financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company. Monetary assets and liabilities denominated in a currency that differs from an entity's functional currency are translated into the functional currency of the entity at exchange rates prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates. Income and expenses are translated into an entity's functional currency at average exchange rates prevailing throughout the year. Translation gains and losses are included in non-interest income except for available-for-sale equity securities where unrealized translation gains and losses are recorded in other comprehensive income until the asset is sold or becomes impaired.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured based on management's best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in provisions due to the passage of time is recognized as interest expense.

Income taxes

Income tax is comprised of current and deferred tax. Income tax is recognized in the Statement of Comprehensive Income except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the related taxes are also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Statement of Financial Position and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax assets and liabilities are determined based on the tax rates that are expected to apply when the

Notes to the financial statements

at 31 October 2017

2. Accounting policies (continued)

Income taxes (continued)

assets or liabilities are reported for tax purposes. Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available in future periods against which deductible temporary differences may be utilized. Deferred tax liabilities are not recognized on temporary differences arising on investments in subsidiaries, branches and associates, and interests in joint ventures if the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company records a provision for uncertain tax positions if it is probable that the Company will have to make a payment to tax authorities upon their examination of a tax position. This provision is measured at the Company's best estimate of the amount expected to be paid. Provisions are reversed to income in the period in which management determines they are no longer required or as determined by statute.

Segmental information

The sole class of business of the Company during the year was a holding company. The geographical segment from which the Company's principal activity is conducted is predominantly in Europe.

Group accounts

The Company has not produced group financial statements as under Section 401 of the Companies Act 2006 group financial statements are not required, the Company being a wholly owned subsidiary of another corporate body which consolidates the financial statements of the Company as detailed in note 10. Accordingly these financial statements present information about the Company as an individual undertaking and not about its group. The parent's financial statements are prepared in accordance with an equivalent GAAP in order to qualify for the exemption.

Investments

Investment in subsidiary undertakings are held at historical cost less any applicable provision for impairment. The Company assesses investments for impairment at each reporting date. If any such indication exists, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income

3. Administrative expenses

	2017 C\$'000	2016 C\$'000
Administrative expenses include the following:		
Auditor's remuneration – audit services	37	40
Others	5	2
Total administrative expenses	42	42

The executive directors receive no remuneration in respect of their services to the Company. Although none of the Company's directors is a director of the ultimate parent company, they receive remuneration in respect of their services to the group as a whole. No recharges have been made to the Company relating to the remuneration of directors during the year (2016: C\$Nil).

No pension contributions under either a defined contribution or defined benefit scheme were accrued for any director in 2017 (2016: C\$Nil) in respect of their role with the Company.

During the year, no director was advanced a loan (2016: C\$Nil) in respect of their role with the Company.

There were no employees during the year (2016: Nil).

Notes to the financial statements

at 31 October 2017

4. Taxation

	2017 C\$'000	2016 C\$'000
Current income tax:		
UK corporation tax	(11)	(11)
Adjustment to tax charge in respect of prior years	13	(2)
Total current income tax	<u>2</u>	<u>(13)</u>

Reconciliation of the total tax charged:

The total tax charge reported in the statement of comprehensive income is lower than the standard rate of corporation tax applying in the period of 19.41 % (2016: 20%).

The differences are explained below:

	2017 C\$'000	2016 C\$'000
Profit/Loss before taxation	<u>(57)</u>	<u>(56)</u>
Tax calculated using the rate of corporation tax in the UK of 19.41% (2016: rate of 20%)	(11)	(11)
Expenses not deductible for tax purposes		
Adjustment to tax charge in respect of prior years	13	(2)
Total tax charge/(credit) reported in the statement of comprehensive income	<u>2</u>	<u>(13)</u>

Change in Corporation Tax rate

The headline rate of UK corporation tax reduced from 20% to 19% on 1 April 2017 and will further reduce to 17% from 1 April 2020.

5. Investment in subsidiary undertakings

	2017 <i>Investment in TD Securities Limited</i> C\$'000	2016 <i>Investment in TD Securities Limited</i> C\$'000
Cost		
At 1 November and 31 October	<u>134,978</u>	<u>134,978</u>

Investments in subsidiary undertakings are held at cost.

At 31 October 2017, the amounts above relate solely to the Company's ownership of the whole of the issued share capital of two companies, registered in England and Wales, whose businesses comprise the provision of financial services, namely TD Securities Limited and Toronto Dominion International Limited, the latter is a dormant company, the investment in which was written down to nil during the year ended 31 October 1995.

Notes to the financial statements

at 31 October 2017

6. Debtors

	2017 C\$'000	2016 C\$'000
Deposits with ultimate parent undertaking	29,746	29,785
Amounts receivable from ultimate parent undertaking	-	10
Tax receivable	11	11
	<u>29,757</u>	<u>29,806</u>

Deposits with ultimate parent undertaking are repayable on demand and non-interest bearing.

7. Creditors

	2017 C\$'000	2016 C\$'000
Amounts owed to subsidiary undertaking	209	200
Amounts owed to ultimate parent undertaking	17	19
Amounts receivable from other group companies	1	-
Accruals and deferred income	38	36
	<u>265</u>	<u>255</u>

Amounts owed to ultimate parent undertaking and subsidiary undertaking are repayable on demand and are non-interest bearing. All external supplier payments are settled on presentation of invoice. Internal suppliers are settled on demand.

8. Share capital

	2017 £'000	2016 £'000
Authorised:		
10,000,000 ordinary shares of £0.99 each	9,900	9,900
10,000,000 "A" deferred shares of £0.01 each	100	100
	<u>10,000</u>	<u>10,000</u>
500,000,000 sterling redeemable preference shares of £0.99 each	495,000	495,000
500,000,000 "B" deferred shares of £0.01 each	5,000	5,000
	<u>500,000</u>	<u>500,000</u>
	US\$'000	US\$'000
500,000,000 US dollar redeemable preference shares of US\$ 0.99 each	495,000	495,000
500,000,000 "C" deferred shares of US\$ 0.01 each	5,000	5,000
	<u>500,000</u>	<u>500,000</u>
	2017 £'000	2016 £'000
Allotted, called up and fully paid:		
5,023,000 ordinary shares of £0.99 each	4,973	4,973
7,173,000 "A" deferred shares of £0.01 each	72	72
	<u>5,045</u>	<u>5,045</u>

Notes to the financial statements

at 31 October 2017

63,000,000 sterling redeemable preference shares of £0.99 each classified as equity under IAS	62,370	62,370
160,000,000 "B" deferred shares of £0.01 each	1,600	1,600
	<u>63,970</u>	<u>63,970</u>
	<i>US\$ '000</i>	<i>US\$ '000</i>
100,000 dollar redeemable preference shares of US\$0.99 each classified as equity under IAS	99	99
160,985,000 "C" deferred shares of US\$0.01 each	1,610	1,610
	<u>1,709</u>	<u>1,709</u>
	<i>2017</i>	<i>2016</i>
	<i>C\$ '000</i>	<i>C\$ '000</i>
CAD equivalent of GBP and USD denominated share capital fixed at rates in force as at 31st October 2014 when the accounting policy governing the revaluation of share capital was amended: GBP 1.803 and USD 1.1271		
Total issued and fully paid shares	<u>126,359</u>	<u>126,359</u>

Deferred Shares

The "A" deferred, "B" deferred and "C" deferred shares shall not entitle the holder of such shares to receive any dividends or other distributions, nor entitle the holder to receive notice of or to attend or vote at any General Meeting of the Company. On a return of capital or winding up or otherwise the "A" deferred shares rank pari-passu with the "B" deferred and "C" deferred shares.

The Company may redeem all or any of the "B" deferred shares for consideration of £0.01 each for every 1,000,000 deferred shares held by each holder thereof. The Company may redeem all or any of the "C" deferred shares for consideration of US\$0.01 each for every 1,000,000 deferred shares held by each holder thereof. The "A" deferred shares are not redeemable.

Redeemable Preference Shares

All redeemable preference shares are redeemable at par.

In the event that it is resolved to distribute by way of dividend all or part of the profits, the holder of the redeemable preference shares (£ and US\$) has the right to receive a variable non-cumulative preferential dividend between the rates of 1 per cent and 20 per cent per annum.

The redeemable preference shares (£ and US\$) have attached to them the same rights regarding voting and payment on a winding up as are attached to ordinary shares.

9. Risk management

The Company itself has limited exposure to financial risk aside from credit risk. The Company's credit risk exposure is reflected in the carrying amounts of financial assets on the balance sheet.

Risk management is carried out at the Company's subsidiary level as part of a group-wide approach. The performance of TD Securities Limited (TDSL), the Company's active subsidiary, is considered to be an active risk. The risks facing TDSL are disclosed in the financial statements of that entity which may be obtained from the registered office: 60 Threadneedle Street, London, EC2R 8AP.

Notes to the financial statements

at 31 October 2017

10. Ultimate parent undertaking

The Company's ultimate parent undertaking, controlling party and the parent of the largest group to consolidate the financial statements of the Company is TD Bank, which is incorporated in Canada. Copies of TD Bank's group financial statements may be obtained from: Finance Control Division, The Toronto-Dominion Bank, PO Box 1, Toronto-Dominion Centre, King St W and Bay St, Toronto, Ontario M5K 1A2, Canada. Copies of the group financial statements may also be obtained online at www.td.com.