

Registered number. 01981157

## THIRDCO II LIMITED

(FORMERLY NATWEST PERSONAL FINANCIAL MANAGEMENT LIMITED)

Report and Accounts for the year ended 31 October 2015



# Thirdco II Limited

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Registered No. 01981157

## **DIRECTORS**

J W Tracy  
J M Wilson

## **SECRETARY**

M Curle

## **AUDITORS**

Ernst & Young LLP  
One Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

## **BANKERS**

National Westminster Bank plc  
55 King Street  
Manchester  
M60 2DB

## **REGISTERED OFFICE**

Exchange Court  
Duncombe Street  
Leeds  
LS1 4AX

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 October 2015. The registered number of the Group is 01981157.

### RESULTS AND DIVIDENDS

The directors present their report and the audited financial statements for the year ended 31 October 2015 of Thirdco II Limited and, incorporating the wholly owned trading subsidiary TD Asset Administration UK Limited (formerly NatWest Stockbrokers Limited), the Thirdco II Limited Group.

The Group made a loss for the year of £100,000 (2014 Profit: £10,714,000). The Directors do not recommend the payment of a dividend for the year (2014: £7,200,000 interim dividend paid).

### DIRECTORS

The directors of the Company during the year and up to the date of signing these financial statements were as follows:

J W Tracy

P J Masterson – resigned 27 August 2015

J M Wilson – appointed 25 August 2015

### SUPPLIERS STATEMENT

The Group is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is the Group's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking by the Group to pay suppliers within 30 days of a correctly prepared invoice submitted in accordance with the terms of the contract.

### EMPLOYMENT OF DISABLED PERSONS

The Group gives full consideration to application for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### EMPLOYEE PARTICIPATION

The Group is committed to employee involvement and uses a variety of methods to inform, consult and involve its employees. There are a number of well-established consultative arrangements operating at Group level which ensure that the views of employees are taken into account in reaching decisions. Within this framework, emphasis continues to be placed on developing greater awareness of the financial and economic factors which affect the performance of the Group.

### GOING CONCERN

Following the successful transfer of the assets and liabilities of the sole operating subsidiary, including the customer base, under the terms of the sale to TD Bank Group of the 50% stake in the Company held by Royal Bank of Scotland Group PLC (as outlined in the Strategic Report on page 4), the directors have considered the going concern status of the Group.

As at the financial year end the Company retained a small number of client assets and liabilities including unclaimed cheques totalling £297,000. Subsequent to the 2015 year end, a waiver order was granted by the regulator, the Financial Conduct Authority allowing outstanding items to be migrated across to TD Direct Investing (Europe) Limited, and a charity payment to be made for those balances which have been dormant for greater than six years. This process was completed by 31 March 2016, and following this no client related assets or liabilities are held by the Group. The trading company, TD Asset Administration UK Limited, has therefore applied to the Financial Conduct Authority for deregistration, and on the granting of deregistration it is the directors' intention to liquidate the Group.

The loan issued by the Group to a related party, TD Wealth Holdings (UK) Limited, under common ownership of TD Bank Group, has been repaid following the 2015 year end.

## DIRECTORS' REPORT

Having considered the above factors, the directors anticipate that liquidation will commence within 12 months of the date of signing the financial statements. As such the directors do not consider the Group to remain a going concern, and so the financial statements of the Group have been prepared on a 'break-up' basis.

### FUTURE DEVELOPMENTS

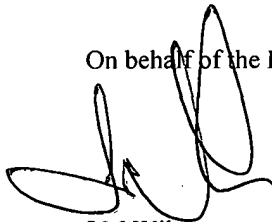
Given the sale of the assets and liabilities of the Group, and the migration of outstanding client funds to TD Direct Investing (Europe) Limited, it is the intention of the directors, with the approval of the shareholder, to break up the Group following de-registration of the trading company, TD Asset Administration (UK) Limited, with the Financial Conduct Authority.

### DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and of the Group's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

On behalf of the Board



J M Wilson

Director

Date:

19/7/16

# Thirdco II Limited

## STRATEGIC REPORT

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The directors present their Strategic Report for the year ended 31 October 2015.

### ***Business Review and Principal Activities***

During the prior year the 'A' shares in Thirdco II Limited were acquired by TD Bank Group from the National Westminster Bank plc. Following the transaction TD Bank Group fully own the issued share capital of the Thirdco II Limited Group and are now the ultimate parent of the Group. Up until the transaction close on the 8 July 2014, Thirdco II Limited was a Joint Venture between the National Westminster Bank plc, itself owned by Royal Bank of Scotland Group, and TD Bank Group. As a condition of the change in ownership, the assets and liabilities of the Group were transferred to TD Direct Investing (Europe) Limited on 13 October 2014 for the payment of £11,200,000 in cash.

The transfer of the business to TD Direct Investing (Europe) Limited included the transfer of all the assets and liabilities of the trading subsidiary TD Asset Administration UK Limited related to the customer base who had not dissented to the move. As at the financial year end the trading subsidiary retained a small number of client assets and liabilities including unclaimed cheques totalling £297,000.

Subsequent to the year end, a waiver order was granted by the regulator, the Financial Conduct Authority allowing outstanding items to be migrated across to TD Direct Investing (Europe) Limited, and a charity payment to be made for those balances which have been dormant for greater than six years. This process was completed by 31 March 2016, and following this no client related assets or liabilities are held by the Group. The trading company, TD Asset Administration UK Limited, has therefore applied to the Financial Conduct Authority for deregistration, and on the granting of deregistration it is the directors' intention to liquidate the Group.

As part of the sale and purchase agreement of the Group a licence was granted by the Royal Bank of Scotland Group for the use of certain key business licences for a period ending on 7 January 2015. Following the expiry of this licence the Company has ceased to use the name of NatWest Personal Financial Management Limited and will be known as Thirdco II Limited.

During the year a loan was made to TD Wealth Holdings (UK) of £11,200,000, a related party under common ownership. This was repaid following the 2015 year end.

### ***Risk Management and Pillar III***

Whilst Thirdco II Limited is not directly authorised by the Financial Conduct Authority (FCA) the sole operating subsidiary, TD Asset Administration UK Limited, is. The Group follows the risk management principles of its shareholder in that a detailed risk management framework is in place from Board level down. The risks identified are incorporated into the Internal Capital Adequacy review of the business with senior management incorporating capital planning into business decisions. TD Asset Administration UK Limited follows the approach for calculating its capital requirement as prescribed by the Financial Conduct Authority (FCA) and is considered a BIPRU/IFPRU Limited Licence firm with a base capital requirement of €125,000. The Basel II Framework consists of three pillars: Pillar I prescribes the risk-focused regulatory capital requirements, Pillar II deals with supervisory review, and Pillar III with market disclosure as a consequence. Pillar III disclosures can be found within the Legal information section on the Company website ([www.TDAssetAdministrationUK.co.uk](http://www.TDAssetAdministrationUK.co.uk)).

Under "Prudential Sourcebook for Investment Firms" ("IFPRU"), companies are required to disclose their capital resource requirement in respect of market risk relating to trading book and non-trading book activities. The Group does not have a trading book and as such no disclosures have been made in respect of market risk in respect of trading book activities.

Market risk is defined as the potential reduction in net income, or decrease in value of the Group's balance sheet, arising from adverse market movements. Following the migration of most customers to TD Direct Investing (Europe) Limited the level of risk the Company may experience has fallen significantly. Specific types of market risk are considered as follows:

# Thirdco II Limited

## STRATEGIC REPORT

### *Interest rate risk*

The Group has operated in a low interest rate environment for a number of years and did not rely on interest as a primary revenue source. Whilst the Group is exposed to interest rate risk this is mitigated through careful management of its cash portfolio and interest payable on its product range. Whilst interest income forms a significant part of the Group's revenue into 2015 the business plan and ICAAP show the business can continue to meet all obligations that fall due.

### *Foreign exchange risk*

The Group maintains the vast majority of corporate funds in sterling which is the functional currency. Of the total balance of corporate monies held (£15.5m), 2.9% (£0.5m) is held in currency other than sterling, predominantly US Dollars. The Group does not therefore feel it has significant exposure to foreign exchange rate risk.

### *Commodity Risk*

The Group has no commodity risk.

### *Capital management*

The regulatory capital position of TD Asset Administration UK Limited is summarised as follows:

	<i>Unaudited 2015 £000</i>	<i>Unaudited 2014 £000</i>
Tier 1 Capital	27,875	27,975
Deductions from tier 1 capital	-	-
Total capital after deductions	<u>27,975</u>	<u>27,975</u>

Capital requirements are as follows:

	<i>2015 £000</i>	<i>2014 £000</i>
Fixed overhead requirement	24,750	24,750
Credit risk capital requirement	7,147	5,711
Settlement risk capital requirement	-	464
Market (FX) risk capital requirement	314	1,261
Pillar 1 capital requirement	<u>1,980</u>	<u>1,980</u>
Common equity tier 1 capital adequacy ratio (min 8%)	<u>112.6%</u>	<u>113.0%</u>
Common equity tier 1 capital surplus (4.5%)	<u>26,761</u>	<u>26,861</u>
Tier 1 capital surplus (6%)	<u>26,390</u>	<u>26,490</u>
Total capital surplus (8%)	<u>25,895</u>	<u>25,995</u>

### *Principal risks and uncertainties*

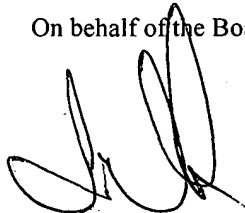
Given the sale of the assets and liabilities of the Group it is the intention of the directors, with the approval of the shareholder, to break up the Group. In the meantime the Group is able to meet all obligations that fall due.

Thirdco II Limited

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STRATEGIC REPORT

On behalf of the Board

A handwritten signature in black ink, appearing to be 'J M Wilson', written over the printed name.

J M Wilson

Director

Date:

19/7/16

## DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable 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 International Financial Reporting Standards ("IFRSs") as adopted by the European Union 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 Group and Company and the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and 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 THIRDCO II LIMITED

We have audited the financial statements of Thirdco II Limited for the year ended 31 October 2015 which comprise the Consolidated Income Statement, Consolidated Statement of Financial Position, Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, and the related notes 1 to 20. 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. The financial statements have been prepared on a 'break-up' basis.

This report is made solely to the Group'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 Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and Parent 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 Report and Accounts 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 Group's and of the Parent Company's affairs as at 31 October 2015 and of the Group's loss for the year then ended;
- ▶ the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- ▶ the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- ▶ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Thirdco II Limited

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THIRDCO II LIMITED

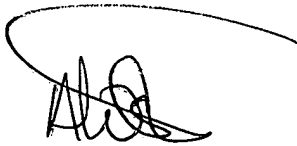
#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **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.



Alistair Denton (Senior statutory auditor)

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

Leeds

Date: 21/7/16

## Thirdco II Limited

### CONSOLIDATED INCOME STATEMENT

For the year ended 31 October 2015

DISCONTINUED OPERATIONS		Year ended 31 October 2015 £000	Year ended 31 October 2014 £000
<b>Revenue</b>	2	37	11,316
Cost of sales		(53)	(11,249)
<b>GROSS (LOSS) / PROFIT</b>		(16)	67
Administrative expenses		(319)	(1,588)
Gain on disposal	8	-	10,982
<b>OPERATING (LOSS) / PROFIT</b>	3	(335)	9,461
Finance costs	5	-	(203)
Finance income	6	369	1,336
<b>PROFIT BEFORE TAXATION</b>		34	10,594
Income tax (Charge) / Credit	7	(134)	120
<b>(LOSS)/PROFIT AFTER TAXATION</b>		(100)	10,714

There is no further Comprehensive income for the year ended 31 October 2015 or for the preceding financial year.

All of the (loss) / profit for the year is attributable to the owners of the parent.


# Thirdco II Limited

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 31 October 2015

		31 October 2015 £000	<i>Restated</i> 31 October 2014 £000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	11	12,367	42
Prepayments	11	161	219
Other current financial assets	11	-	278
Cash and short-term deposits	12	15,535	28,270
Deferred tax assets	14	-	7
		<u>28,063</u>	<u>28,816</u>
<b>Total assets</b>		<u><b>28,063</b></u>	<u><b>28,816</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	15	15,700	15,700
Share premium		1,553	1,553
Retained earnings		10,626	10,726
<b>Equity attributable to owners of the parent</b>		<u>27,879</u>	<u>27,979</u>
<b>Total equity</b>		<u><b>27,879</b></u>	<u><b>27,979</b></u>
<b>Current liabilities</b>			
Trade and other payables	13	184	199
Accruals and deferred income	13	-	638
		<u>184</u>	<u>837</u>
<b>Total liabilities</b>		<u><b>184</b></u>	<u><b>837</b></u>
<b>Total equity and liabilities</b>		<u><b>28,063</b></u>	<u><b>28,816</b></u>

The notes 1 to 20 form an integral part of the financial statements.

Approved by the Board:

  
J M Wilson  
Director  
Date: 19/7/16

# Thirdco II Limited

## COMPANY STATEMENT OF FINANCIAL POSITION at 31 October 2015

		31 October 2015 £000	<i>Restated</i> 31 October 2014 £000
<b>Assets</b>			
<b>Current assets</b>			
Other current financial assets	11	4	4
Investments	10	17,308	17,308
		<u>17,312</u>	<u>17,312</u>
<b>Total assets</b>		<u><b>17,312</b></u>	<u><b>17,312</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	15	15,700	15,700
Share premium	15	1,553	1,553
Retained earnings		59	59
<b>Equity attributable to owners of the parent</b>		<u>17,312</u>	<u>17,312</u>
<b>Total equity</b>		<u><b>17,312</b></u>	<u><b>17,312</b></u>

The notes 1 to 20 form an integral part of the financial statements.

Approved by the Board:

  
J M Wilson

Director

Date:

19/2/16

# Thirdco II Limited

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 October 2015

	Year ended 31 October 2015 £000	Year ended 31 October 2014 £000
<b>Cash flows from operating activities</b>		
Profit / (Loss) before taxation from continuing and discontinued operations	34	10,594
Adjustments for:		
Amortisation of Intangibles	9	22
Loss on disposal of Intangibles	9	9
Gain on sale of financial asset	-	(10,982)
Finance income receivable	6	(1,336)
Finance costs payable	5	203
Surplus on office account	-	(37)
Operating (loss) before change in working capital and provisions	(335)	(1,527)
(Increase) / Decrease in trade and other receivables	(11,947)	42,277
Decrease in trade and other payables	(695)	(42,509)
Transfer of deferred tax asset	155	(218)
Income tax refund	-	156
Finance costs paid	-	(203)
Cash flows from operating activities	(12,822)	(2,024)
<b>Cash flows from investing activities</b>		
Finance income received	87	1,336
Cash flows from investing activities	87	1,336
<b>Cash flows from financing activities</b>		
Dividend paid	-	(7,200)
Gain on sale of financial asset	-	11,200
Cash flows from financing activities	-	4,000
Net (decrease) / increase in cash and cash equivalents	(12,735)	3,312
Cash and cash equivalents at 1 November 2014	28,270	24,958
Cash and cash equivalents at 31 October 2015	12 15,535	28,270

## Thirdco II Limited

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2015

	Share capital	Share premium	Income statement	Total shareholders' funds
	£'000	£'000	£'000	£'000
As at 1 November 2013	15,700	1,553	7,212	24,573
Profit for the year	-	-	10,714	(108)
Dividend paid	-	-	(7,200)	(7,200)
As at 31 October 2014	15,700	1,553	10,726	27,979
As at 1 November 2014	15,700	1,553	10,726	27,979
Loss for the year	-	-	(100)	(100)
As at 31 October 2015	15,700	1,553	10,626	27,879

## Thirdco II Limited

### COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2015

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total shareholders' funds £'000
As at 1 November 2013	15,700	1,553	59	17,312
As at 31 October 2014	15,700	1,553	59	17,312
As at 1 November 2014	15,700	1,553	59	17,312
As at 31 October 2015	15,700	1,553	59	17,312



NOTES TO THE ACCOUNTS  
at 31 October 2015

**1. ACCOUNTING POLICIES**

The financial statements of Thirdco II Limited for the year ended 31 October 2015 were authorised for issue in accordance with a resolution of the directors on 19 July 2016. The entity is a limited company incorporated and domiciled in England. The registered office is located at Exchange Court, Duncombe Street, Leeds, LS1 4AX.

**Basis of preparation**

The financial statements of the entity have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (IASB) and adopted by the EU.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in sterling and all values are rounded to the nearest thousand (£'000), except where otherwise indicated.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective:

IFRS 7 (Revised) – Consolidated Financial Statements, effective for annual periods beginning on or after 1 January 2015;

IFRS 9 – Financial Instruments, effective for annual periods beginning on or after 1 January 2018;

IFRS 11 (Revised) - Accounting for Acquisitions of Interests in Joint Operations, effective for annual periods beginning on or after 1 January 2016;

IFRS 15 - Revenue from Contracts with Customers, effective for annual periods beginning on or after 1 January 2017;

IAS 27 (Revised) – Equity Method in Separate Financial Statements, effective for annual periods beginning on or after 1 January 2016;

IAS 28 (Revised) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective for annual periods beginning on or after 1 January 2016;

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements.

## NOTES TO THE ACCOUNTS

at 31 October 2015

### 1. ACCOUNTING POLICIES *CONTINUED*

#### *Going concern*

Following the successful transfer of the assets and liabilities of the sole operating subsidiary, including the customer base, under the terms of the sale to TD Bank Group of the 50% stake in the Company held by Royal Bank of Scotland Group PLC (as outlined in the Strategic Report on page 4), the directors have considered the going concern status of the Group.

As at the financial year end the Company retained a small number of client assets and liabilities including unclaimed cheques totalling £297,000. Subsequent to the 2015 year end, a waiver order was granted by the regulator, the Financial Conduct Authority allowing outstanding items to be migrated across to TD Direct Investing (Europe) Limited, and a charity payment to be made for those balances which have been dormant for greater than six years. This process was completed by 31 March 2016, and following this no client related assets or liabilities are held by the Group. The trading company, TD Asset Administration UK Limited, has therefore applied to the Financial Conduct Authority for deregistration, and on the granting of deregistration it is the directors' intention to liquidate the Group.

The loan issued by the Group to a related party, TD Wealth Holdings (UK) Limited, under common ownership of TD Bank Group, has been repaid following the 2015 year end.

Having considered the above factors, the directors anticipate that liquidation will commence within 12 months of the date of signing the financial statements. As such the directors do not consider the Group to remain a going concern, and so the financial statements of the Group have been prepared on a 'break-up' basis.

#### *Significant accounting policies*

##### **Financial assets**

###### *Initial recognition and measurement*

All financial assets are recognised at their cost less impairment provisions.

The Group's financial assets include cash and short-term deposits, trade and other receivables, payments due from clients, and payments due from market.

###### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

##### **Cash**

Cash referred to in the Cash Flow Statement comprise cash on instant access. The Group also holds money on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority (FCA). This client money represents balances which are not held in respect of the settlement of transactions (i.e. free money). The client money is not shown on the face of the balance sheet as the Group is not beneficially entitled thereto. This balance is netted against client creditors in the Consolidated Statement of Financial Position. Disclosure of the amounts held is made in notes 12 and 13.

##### **Trade and other receivables**

Trade and other receivables are stated at their cost less impairment provisions. A provision for impairment of trade receivables is made for 100% of the exposure value given the break up nature of the Group. Provisions made during the period, less amounts released and recoveries of amounts written off in previous years are taken to the Consolidated Income Statement.

NOTES TO THE ACCOUNTS  
at 31 October 2015

1. **ACCOUNTING POLICIES *CONTINUED***

Payments due from clients consist of the balances due as a result of the client purchasing stock or the application of fees. These balances sweep to their income or debt ledger upon settlement date. All bargains entered into on behalf of clients are recorded in the financial statements on the date of the transaction.

Payments due from market consist of the amounts due from TD Direct Investing (Europe) Limited who execute and settle trades on behalf of the Group and are shown gross. All bargains entered into on behalf of clients are recorded in the financial statements on the date of the transaction.

**Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised at cost less impairment.

The Group's financial liabilities include trade and other payables, payments due to clients and payments due to market.

**Subsequent measurement**

Trade and other payables are stated at their cost less impairment provisions.

**Payments due to clients**

Payments due to clients consist of the balances received as a result of the client selling stock or application of corporate actions or dividends. These balances sweep to their income ledger upon settlement date. All bargains entered into on behalf of clients are recorded in the financial statements on the date of the transaction with the payment due to clients recorded as due on the settlement date of the transaction.

Payments due to market consist of the amounts due to counterparties that are due to settle against delivery of stock and are shown gross of charges. All bargains entered into on behalf of clients are recorded in the financial statements on the date of the transaction.

***Intangible assets***

Internally developed software was stated at cost less amortisation and provisions for impairment, if any during the year. All remaining intangible assets were fully amortised in October 2014 and were written off in 2015.

***Pensions***

Pension costs relating to the defined benefit pension scheme under which certain employees seconded into the business from Royal Bank of Scotland Group PLC are assessed in accordance with the advice of independent qualified actuaries so as to recognise the cost of pensions on a systematic basis over the employees' service lives. Disclosure of the scheme is as a defined contribution scheme. Further details are provided in Note 16.

***Current tax***

Current tax and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those enacted or substantively enacted by the consolidated statement of financial position date.

NOTES TO THE ACCOUNTS  
at 31 October 2015

1. ACCOUNTING POLICIES *CONTINUED*

***Deferred tax***

Deferred tax is recognised on temporary differences (other than temporary differences associated with unremitted earnings from foreign subsidiaries and associates to the extent that the investment is essentially permanent in duration, or temporary differences associated with the initial recognition of goodwill) arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. The deferred tax asset before the sale and migration of the customer base between the Group and TD Direct (Investing) Europe Limited totalled £225,000. £218,000 of this was transferred along with the consenting and waived customers on 13 October 2014.

***Foreign currency translation***

The Group's financial statements are presented in sterling and items included in the financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded by the entity at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the Income Statement.

***Provisions***

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the entity expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

***Revenue recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue consists of net commission income, fees and related income, and net interest receivable in the normal course of investment business. Net commission income is recognised when bargains are executed whilst fee income is recognised only when receipt is reasonably certain. Interest receivable is recognised on an effective interest rate basis.

***Retrospective restatement***

As the directors do not consider the Group to be a going concern, the financial statements of the Group have been prepared on the break-up basis. As a result of this, all assets are treated as current assets within the Statement of Financial Position, and so the prior period Group and Company Statement of Financial Position has been restated for comparison purposes.

Deferred tax assets totalling £7,000 were reclassified from non-current assets to current assets in the Group Statement of Financial Position. Investments totalling £17,308,000 were reclassified from non-current assets to current assets in the Company Statement of Financial Position. There was no impact to the Group or Company Income Statements of these restatements.

# Thirdco II Limited

## NOTES TO THE ACCOUNTS at 31 October 2015

### 2. REVENUE

Revenue represents commissions and fees for execution-only discount brokerage, stated net of VAT, and is derived from operations of the business within the UK. The directors consider that the Group operates in a single business and geographical segment.

### 3. OPERATING (LOSS)/ PROFIT BEFORE FINANCE COSTS AND INCOME

The operating (loss)/profit before finance costs and income is stated after charging:

	<i>Year ended</i> <i>31 Oct 15</i> <i>£000</i>	<i>Year ended</i> <i>31 Oct 14</i> <i>£000</i>
Auditor's remuneration - audit services	9	37
Amortisation of intangible assets	-	22
Write off of remaining unamortised portion of intangible asset	-	9
	<u>          </u>	<u>          </u>

### 4. DIRECTORS' AND EMPLOYEES' COSTS

	<i>Year ended</i> <i>31 Oct 15</i> <i>£000</i>	<i>Year ended</i> <i>31 Oct 14</i> <i>£000</i>
Salaries	52	798
Social security costs	4	54
Other pension costs	3	68
	<u>          </u>	<u>          </u>
	59	920
	<u>          </u>	<u>          </u>
	<i>2015</i>	<i>2014</i>
	<i>No.</i>	<i>No.</i>
Average number employed including executive directors	-	12
	<u>          </u>	<u>          </u>

All directors are remunerated by TD Direct Investing (Europe) Limited, a related party under common control of TD Bank Group. No apportionment of directors' remuneration has been applied to the Company on the grounds that the costs of services rendered to the Company are negligible.

# Thirdco II Limited

## NOTES TO THE ACCOUNTS at 31 October 2015

### 5. FINANCE COSTS

	<i>Year ended 31 Oct 15 £000</i>	<i>Year ended 31 Oct 14 £000</i>
Interest payable to customers	-	203
	<u>-</u>	<u>203</u>
	<u>-</u>	<u>203</u>

### 6. FINANCE INCOME

	<i>Year ended 31 Oct 15 £000</i>	<i>Year ended 31 Oct 14 £000</i>
Interest receivable from banks and other institutions	73	1,336
Interest receivable from related parties	296	-
	<u>369</u>	<u>1,336</u>
	<u>369</u>	<u>1,336</u>

### 7. TAXATION

	<i>Year ended 31 Oct 15 £000</i>	<i>Year ended 31 Oct 14 £000</i>
<b>Current tax expense</b>		
Tax recognised in profit or loss:		
Current year	3	(124)
Adjustments for prior years	124	(310)
	<u>127</u>	<u>(434)</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	-	50
Adjustments for prior years	7	264
	<u>7</u>	<u>314</u>
Total tax charge / (credit)	<u>134</u>	<u>(120)</u>

# Thirdco II Limited

## NOTES TO THE ACCOUNTS at 31 October 2015

### 7. TAXATION *CONTINUED*

#### Reconciliation of effective tax rate

	<i>Year ended</i> <i>31 Oct 15</i> <i>£000</i>		<i>Year ended</i> <i>31 Oct 14</i> <i>£000</i>	
Profit for the year	-	34	-	10,594
Total tax (charge) / credit	-	(134)	-	120
(Loss) / Profit after tax	-	(100)	-	10,714
Tax using the Company's domestic tax rate	20.41%	7	21.83%	2,313
Reduction in tax rate	-12.13%	(4)	-0.02%	(2)
Non-Taxable income	-	-	-22.60%	(2,395)
Non-deductible expenses	-	-	-0.00%	-
Deferred Tax on losses no longer recognised	-	-	0.09%	10
Under/(Over) provided in prior years	385.29%	131	-0.44%	(46)
	394.12%	134	-1.14%	(120)

### 8. DISCONTINUED OPERATIONS

During 2014 TD Bank Group acquired the 'A' shares in Thirdco II Limited, resulting in TD Bank Group acquiring sole control of the Group. As part of the sale and purchase agreement, the trading subsidiary TD Asset Administration UK Limited (formerly NatWest Stockbrokers Limited) sold the assets and liabilities to the wholly owned subsidiary of TD Bank Group, TD Direct Investing (Europe) Limited for consideration of £11,200,000. This was offset in part by a loss on the transfer of a related Deferred Tax Asset to TD Direct Investing (Europe) Limited of £218,000. (Net gain: £10,982,000). The sale incorporated those customer accounts that had not actively dissented to migrate along with certain assets. No further amounts are payable, and subsequent to the 2015 year end, following the resolution of all remaining client related assets and liabilities, the trading subsidiary has applied to the Financial Conduct Authority for deregistration.

# Thirdco II Limited

## NOTES TO THE ACCOUNTS at 31 October 2015

### 9. INTANGIBLE ASSETS

	<i>Internally Developed Software costs £000</i>	<i>Total  £000</i>
<b>Cost:</b>		
At 1 November 2014	519	519
Amounts written off	(519)	(519)
At 31 October 2015	-	-
<b>Amortisation:</b>		
At 1 November 2014	519	519
Amounts written off	(519)	(519)
At 31 October 2014	-	-
<b>Net book value:</b>		
At 31 October 2015	-	-
At 31 October 2014	-	-

### 10. OTHER FINANCIAL ASSETS

	<b>£000</b>
Investment in Group companies at 31 October 2014 and 31 October 2015	17,308

Details of the investments in which the Group holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>	<i>Share capital and reserves £'000</i>
TD Asset Administration UK Limited	Ordinary shares	100%	Stockbroker	27,879
Fielding Nominees Limited <sup>1</sup>	Ordinary shares	100%	Dormant	nil
Fourthco II Limited <sup>1</sup> (formerly NWS Corporate Nominees Limited)	Ordinary shares	100%	Dormant	nil

<sup>1</sup>100% owned by TD Asset Administration UK Limited.

The above companies are registered in England and Wales.



## Thirdco II Limited

### NOTES TO THE ACCOUNTS at 31 October 2015

#### 11. TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	<i>31 Oct 15</i>	<i>31 Oct 14</i>	<i>31 Oct 15</i>	<i>31 Oct 14</i>
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Amounts due from counterparties and clients	12,367	42	-	-
Prepayments and accrued income	161	219	-	-
Other debtors	-	278	-	-
Amounts due from group undertakings	-	-	4	4
	<u>12,528</u>	<u>539</u>	<u>4</u>	<u>4</u>

Amounts due from counterparties and clients include: £11,496,000 (2014: nil) due from a related party TD Wealth Holdings (UK) Limited in respect of intercompany loan issued and intercompany interest, £3,000 (2014: £5,000) due from a connected counterparty, TD Bank NV, for inter-company interest. Included within Other debtors in the prior year is £278,000 due from a connected Group company in respect of corporation tax consortium relief for the year ended 31 October 2013.

Analysis of Group trading balances due as at 31 October 2015 and 31 October 2014:

	Total	Not Due	Past Due			
			1-30 days	31-60 days	61-90 days	91+ days
	£'000	£'000	£'000	£'000	£'000	£'000
2015	<u>12,367</u>	<u>12,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2014	<u>42</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>

Management consider the fair value to be equal to the carrying value.

Subsequent to the 2015 year end, the loan due from TD Wealth Holdings (UK) Limited was repaid in full.

#### 12. CASH AT BANK AND IN HAND

	<i>31 Oct 15</i>	<i>31 Oct 14</i>
	£000	£000
Group balances	15,535	28,270
	<u>15,535</u>	<u>28,270</u>

Client settlement balances are segregated from the Group's cash balances in accordance with the requirements of the Financial Conduct Authority.

As at 31 October 2015 the Group held bank deposits totalling £6,000 (2014: £2,590,000) on behalf of clients that are excluded from the balance sheet. As at 31 October 2015 the Group held bank deposits with related parties of £4,000,000 (2014: £8,750,000) with TD Bank NV and £6,000 with TD Bank (2014: £6,000).

# Thirdco II Limited

## NOTES TO THE ACCOUNTS at 31 October 2015

### 13. TRADE AND OTHER PAYABLES

	31 Oct 15 £000	31 Oct 14 £000
Amounts falling due within one year:		
Amounts due to counterparties and clients	190	2,789
Less: funds held on behalf of clients	(6)	(2,590)
Other creditors	-	-
Accruals and deferred income	-	638
	<u>184</u>	<u>837</u>

Amounts due to counterparties and clients includes £177,000 relating to trades pending settlement via TD Direct Investing (Europe) Ltd (2014: £114,000).

Amounts due to counterparties and clients are non-interest bearing and are normally settled within 21 days. Other payables are non-interest bearing and have an average term of 30 days.

Management consider the fair value to be equal to the carrying value.

### 14. DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following:

	Assets		Net	
	31 Oct 15 £000	31 Oct 14 £000	31 Oct 15 £000	31 Oct 14 £000
Property, plant and equipment	-	7	-	7
Tax loss carry forwards	-	-	-	-
Other items	-	-	-	-
Tax assets	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>

Movement in deferred tax balances during the year:

	Balance at 1 November 2013 £000	Recognised in Income Statement £000	Balance at 31 October 2014 £000	Recognised in Income Statement £000	Transferred to TD Direct Investing (Europe) Limited £000	Balance at 31 October 2015 £000
Property, plant and equipment	112	(15)	(90)	7	(7)	-
Tax loss carry forwards	411	(283)	(128)	-	-	-
Other items	16	(16)	-	-	-	-
	<u>539</u>	<u>(314)</u>	<u>(218)</u>	<u>7</u>	<u>(7)</u>	<u>-</u>

NOTES TO THE ACCOUNTS  
at 31 October 2015

**14. DEFERRED TAX CONTINUED**

The headline rate of UK corporation tax reduced from 21% to 20% on 1 April 2015, and through the enactment of Finance Act 2015 will reduce further to 18% on 1 April 2020. However, on 16 March 2016 the Chancellor of the Exchequer announced that the tax rate effective from 1 April 2020 would now be 17%. This latest change has not yet been substantively enacted.

Under International Financial Reporting Standards, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Since the future reduction of the corporation tax rate to 18% was enacted on 27 October 2015, the deferred tax balances at 31 October 2015 have been assessed accordingly.

Unrecognised deferred tax assets:

There is an unrecognised deferred tax asset of £5,000 (2014: £nil) in respect of accelerated capital allowances as at 31 October 2015. In addition, no deferred tax has been recognised on losses of £149,000 (2014: £50,000).

The deductible temporary items and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the group can utilise the benefits therefrom. If an asset were provided, it would equate to £32,000 (2014: £10,000).

**15. CALLED UP SHARE CAPITAL**

	<i>Authorised</i>		<i>Allotted, called up and fully paid up</i>	
	<i>31 Oct 15</i>	<i>31 Oct 14</i>	<i>31 Oct 15</i>	<i>31 Oct 14</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each (equity)	15,700	15,700	15,700	15,700

**16. PENSION COMMITMENTS**

During the prior year the employees (seconded to the Company from The Royal Bank of Scotland Group plc) participated in The Royal Bank of Scotland Group Pension Fund or contributed to an independent defined contribution scheme, subject to their individual contract of employment with their sending employers. The Royal Bank of Scotland Group Pension Fund is a funded defined benefit scheme whose assets and liabilities are independent of the Group's finances. From 8 July 2014, on completion of the sale and purchase of the Group, those employees seconded into the Company from The Royal Bank of Scotland Group ceased to be seconded to the Company and contributions from the Company to this scheme ceased.

Total costs of £2,539 (2014: £68,000) were fully paid during the year and there is no further liability for 2015. An indemnity is in place with The Royal Bank of Scotland Group whereby TD Asset Administration UK Limited will not be held liable for any deficiency under the respective pension scheme pursuant to section 75 of the Pensions Act 1995.

## Thirdco II Limited

### NOTES TO THE ACCOUNTS

at 31 October 2015

#### 17. RELATED PARTY DISCLOSURES

Thirdco II Limited was jointly owned by National Westminster Bank Plc and TD Bank Group up until 8 July 2014 when sole ownership was acquired by TD Bank Group.

TD Bank Group is incorporated in Canada. Copies of the Group financial statements can be obtained from Finance and Control Division, TD Bank Group, PO Box 1, Toronto-Dominion Centre, King St. W and Bay St., Toronto, Ontario M5K 1A2, Canada.

Transactions between the Company and its related party companies are summarised below:

Related company	<i>Purchase of goods and services</i>		<i>Sale of goods and services</i>		<i>Amounts owed to related parties</i>		<i>Amounts owed from related parties</i>	
	<i>Year Ended</i>	<i>Year Ended</i>	<i>Year Ended</i>	<i>Year Ended</i>	<i>Year Ended</i>	<i>Year Ended</i>	<i>Year Ended</i>	<i>Year Ended</i>
	<i>31 Oct 15</i>	<i>31 Oct 14</i>	<i>31 Oct 15</i>	<i>31 Oct 14</i>	<i>31 Oct 15</i>	<i>31 Oct 14</i>	<i>31 Oct 15</i>	<i>31 Oct 14</i>
	£000	£000	£000	£000	£000	£000	£000	£000
TD Direct Investing (Europe) Limited	335	11,235	-	-	177	114	-	-
TD Bank N.V.	3	17	-	113	-	-	3	5
TD Bank	-	-	-	-	-	-	-	278
TD Wealth Holdings (UK) Ltd	-	-	-	-	-	-	11,496	-
TD Asset Administration UK Limited	-	-	-	-	-	-	4	4

The above mentioned balances arose from the ordinary course of business. Outstanding balances at the Statement of Financial Position date are unsecured. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 October 2015, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2014: Nil).

Subsequent to the year end, the amount due from TD Wealth Holdings (UK) Limited was repaid in full.

NOTES TO THE ACCOUNTS  
at 31 October 2015

**18. CAPITAL MANAGEMENT**

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision. The Group has complied with any capital requirements throughout the current year and the prior year.

TD Asset Administration UK Limited, as the sole operating entity, is classified as a €125k limited licence IFPRU firm for the purposes of the Capital Requirements Directive ('CRD'). Capital is derived from Group profit whilst its requirement is determined by its fixed cost base. The Directors of the Group oversee the adequacy of capital on a monthly basis and take into account the capital position within decision making.

The primary objectives of the Group's capital management policies are to ensure that it complies with the externally imposed capital requirements and that it maintains healthy capital ratios in order to support the business. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

TD Asset Administration UK Limited's principal financial liabilities comprise trade and other payables, and due to client and market positions. The main purpose of these financial liabilities is to finance the Group's operations and to support the open trading positions of the underlying clients. The Group has trade and other receivables and cash that arrive directly from its operations. The Group also maintains due to client and market positions, again to support the open trading positions of the underlying clients.

The principal financial assets and liabilities have fallen significantly since the migration of the assets and liabilities of TD Asset Administration UK Limited. The positions as shown at 31 October 2015 reflect the trade receivables and payables for those customers who are in the process of closing or transferring their accounts to other brokers. As the trading subsidiary no longer offers new accounts or the ability for remaining customers to trade, and is planning to break up, the principal assets and liabilities will decrease as customers exit. The remaining corporate cash balance will be repatriated to shareholders as part of the break-up of the Group.

The Group remains exposed to market risk, credit risk and liquidity risk until the exit of the remaining customers.

TD Asset Administration UK Limited's senior management oversees the management of these risks and is supported by an Internal Capital Adequacy Assessment Process (ICAAP) that advises on financial risks and the appropriate financial risk governance framework for the Group. An Enterprise Risk Management Committee is responsible for the risk management oversight of the Group with various sub-committees tasked with covering Treasury, ICAAP and Client Money and Asset risks.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. TD Asset Administration UK Limited outsources all trading and settlement to TD Direct Investing (Europe) Limited and therefore TD Direct Investing (Europe) Limited is responsible for timely trading and settlement on behalf of the Group's clients.

**Concentration risk**

The Group is exposed to concentration risk on services outsourced to TD Direct Investing (Europe) Limited, and Treasury placements. The Group ensures that this risk is managed by a close and continuous monitoring programme of operations and that cash is placed in a diverse range of financial institutions approved by the shareholders.

NOTES TO THE ACCOUNTS  
at 31 October 2015

**19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *CONTINUED***

**Interest rate risk**

Interest rate risk arises due to:

1. The reduction in interest earned on funds deposited within the portfolio
2. Level of interest paid to remaining clients

Interest earned on funds deposited is forecast on a monthly basis with current market conditions, shareholder Economic outlook and relationships with Financial Institutions ("FI") considered. The forecasts are presented to the Treasury Sub-Committee where the results are assessed. Actions to mitigate a decline in Net Interest include utilising a central Treasury function with a wider pool of investable deposits, maintenance of good relationships with a wide range of FI's and monitoring and repricing of Interest payable to clients.

**Liquidity risk**

The Group maintains a Liquidity policy for both client and corporate funds in line with the requirements of the Financial Conduct Authority rules in BIPRU 12.3 and 12.4. All client monies are maintained on a breakable deposit basis only whilst up to 30% of corporate monies are able to be deposited for up to three months, the remainder on a call basis. Stress testing is performed on corporate monies based on the ability of the business to survive for a minimum 90 days with no recourse to funding.

**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group is exposed to credit risks on its treasury, custodian and partner services. The Group ensures that full due diligence is carried out on all new counterparties and that they are regularly monitored. The risk is deemed to be immaterial in value to the entity.

**20. EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the 2015 year end, a waiver order was granted to the trading company, TD Asset Administration UK Limited, by the regulator, the Financial Conduct Authority allowing outstanding client assets and liabilities to be migrated across to TD Direct Investing (Europe) Limited, and a charity payment to be made for those balances which have been dormant for greater than six years. This process was completed by 31 March 2016, and following this no client related assets or liabilities are held by the Group. The trading company, TD Asset Administration UK Limited, has therefore applied to the Financial Conduct Authority for deregistration, and on the granting of deregistration it is the directors' intention to liquidate the Group.

Subsequent to the year end, the intercompany loan from TD Wealth Holdings (UK) Limited was repaid in full.

There have been no other events after the reporting period that require disclosure in the financial statements.