TD Securities Limited

Report and Audited Financial Statements

31 October 2014

Registered No: 2650118

Registered No: 2650118

Directors

P Masterson (Canadian)
D Cerovic (Canadian)
M Huppke (Canadian)
S Nash (British)
B Smith (American)
J Stewart (British)

Company Secretary

A Jeffrey (British)

Auditors

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

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 2014.

Results and dividends

TD Securities Limited's ("the Company") results for the year are shown in the statutory profit and loss account on page 8. The profit on ordinary activities after taxation for the year was £626,665 (2013: £765,244).

No redeemable preference dividend was declared or paid during the year (2013: £Nil). No dividend on ordinary shares was declared and none is proposed (2013: £Nil).

Information on the principal activity, risks, uncertainties and future developments of the business are provided in the strategic report on page 4.

Going concern

The Company's management has made a forward-looking assessment (of at least 12 months) 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, 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 are as follows:

P Masterson (Canadian)	-	Director and Chairman (appointed 12 March 2014)
D Cerovic (Canadian)	-	Director
M Huppke (Canadian)	-	Director
S Nash (British)	-	Director
B Smith (American)	-	Director
J Stewart (British)	-	Director
B Wallace (British)	-	Director (resigned 18 September 2014)

According to the register of directors, no director has any interests in the share capital of the Company. The interests of the directors in the shares of The Toronto-Dominion Bank the ultimate parent company, are as follows:

	At 1 November 2013 *restated*	*Additions/Disposals during the year*	***At 31 October 2014***
B Smith	3,542	(2)	**3,540**
M Huppke	8	1	**9**
J Stewart	830	129	**959**
P Masterson	3,168	5,524	**8,692**
D Cerovic	672	206	**878**
S Nash	-	68	**68**
	8,220	5,926	**14,146**

The 2014 opening balances have been restated to provide appropriate comparatives following the 1 for 1 stock dividend (equivalent to a 2-for-1 Stock Split) dated January 31st 2014.

Directors' report

Pillar 3

The Company was granted a waiver by the Financial Services Authority (FSA) with respect to Basel II Pillar 3 disclosure requirements, as the ultimate parent undertaking produces consolidated Pillar 3 disclosures, which include specific company information. Existing waivers and rule modifications were 'grandfathered' to the Financial Conduct Authority (FCA) on 1 April 2013. For further information on the following, please see the TD Bank Group's 2014 Annual Report (AR) and Supplemental Financial Information (SFI) which can be found online at http://www.td.com/annual-report/ar2014/index.jsp.

The Company has credit risk exposure to institutions, during the years ended 31 October 2014 and 31 October 2013 there have been no value adjustments.

Remuneration disclosures can be found online at the TD Securities website:

http://www.tdsecurities.com/tds/content/AU_RegulatoryDisclosure

Country By Country Reporting (CBCR)

The Capital Requirements Directive IV (CRD IV) Country by Country Reporting (CBCR) framework is now in force for regulated financial institutions. The following table complies with this regulation for the 2014 financial year.

Name of entity	*TD Securities Limited*
Geographical location	*United Kingdom*
Turnover	*£3,816,572 (2013:£3,852,220)*
Number of Employees	*8 (2013:9)*
Profit before tax	*£831,103 (2013:£1,088,067)*
Public subsidies received	-

The company paid corporation tax of £102,906 in 2014 *(2013: £nil)*.

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 auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, 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 auditor is 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

D Cerovic
Director

9 February 2015

Strategic report

Strategy

As an international operation of a major Canadian financial institution, the primary strategic position in the region is to support TD Bank Group's North American franchise. TD Bank Group (TDBG) maintains client relationships with a number of large multinational organisations, many of which require access to capital markets in Europe and elsewhere.

Business model

The Company maintains its own employee base in terms of both business and infrastructure personnel and also leverages the operational infrastructure that exists in both TD Bank London Branch and Toronto. The Company's turnover is generated in Europe (by staff operating from the London office); operating expenses are a combination of a) direct costs and b) allocations of overhead costs from both the London and Toronto operations.

The Company's business focuses on equities, in particular institutional equity sales. The sales team is responsible for facilitating the distribution of listed Canadian equities and IPO offerings to a range of European and Asian-based equity investors, including hedge funds, commercial and private banks, central banks, investment funds, insurance companies, pension funds, and asset/fund managers. The majority of the Company's assets are deposits held with other group companies.

Principal activity and review of the business

The Company continues to receive commissions from other group companies on the sale of Canadian and other globally exchange-listed equities to European-based institutional clients.

The Company is regulated by the FCA.

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

	2014	*2013*	*Change*
	£'000	*£'000*	
Turnover	3,817	3,852	(1)%
Operating profit	831	1,088	(24)%
Profit after tax	627	765	(18)%
Shareholder's funds	73,421	72,794	1%

Although turnover was relatively static, increased employee-related costs have caused a 24% drop in operating profit.

Principal risks and uncertainties

The financial risk management objectives and policies of the Company are shown in Note 13 of the financial statements.

Future developments

The Company does not anticipate any changes in principal activities in the forthcoming year.

On behalf of the board

D Cerovic
Director

9 February 2015

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 TD Securities Limited

We have audited the financial statements of TD Securities Limited for the year ended 31 October 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 Directors' report and Strategic report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent auditor's report

to the members of TD Securities Limited (continued)

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.

Ernst & Young LLP

Manprit Dosanjh (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 18 February 2015

Profit and loss account

for the year ended 31 October 2014

	Note	*2014* *£'000*	*2013* *£'000*
Turnover	2	3,817	3,852
Operating charges		(80)	(52)
Foreign exchange loss		(18)	(89)
		3,719	3,711
Administrative expenses		(2,888)	(2,623)
Operating profit	3	831	1,088
Interest payable and similar charges	5	-	(6)
Profit on ordinary activities before taxation		831	1,082
Tax charge on ordinary activities	6	(204)	(317)
Retained profit for the financial year	11	627	765

The above results are derived solely from continuing operations. There are no recognised gains and losses other than those shown in the profit and loss account.

The notes on pages 10 to 22 form an integral part of the financial statements

Balance sheet
at 31 October 2014

	Note	*2014* *£'000*	*2013* *£'000*
Non-current assets			
Tangible fixed assets	7	5	7
		5	7
Current assets			
Debtors	8	62,801	5,705
Cash at bank		13,536	69,467
		76,337	75,172
Current liabilities			
Creditors: amounts falling due within one year	9	(2,921)	(2,385)
Net assets		73,421	72,794
Capital and reserves			
Called up share capital	10	63,000	63,000
Profit and loss account	11	10,421	9,794
Total shareholder's funds	11	73,421	72,794

The financial statements were approved by the Board of Directors on 9 February 2015 and signed on their behalf by:

D Cerovic
Director

The notes on pages 10 to 22 form an integral part of the financial statements.

Notes to the financial statements

at 31 October 2014

1. Accounting policies

Basis of preparation and prior year adjustments

The financial statements of TD Securities Limited were approved by the Board of Directors on 9 February 2015.

These financial statements have been prepared in accordance with the requirements of Schedule 1 of the Large and Medium size companies and group (accounts and reports) regulation 2008 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) on the going concern basis under the historical cost convention except as disclosed below.

A summary of the accounting policies of the Company is set out below:

Revenue recognition

Turnover includes interest income and commission fees. Commission fees are recognised over the period in which the related service is rendered. Interest income is recognised on an accrual basis.

Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them and are classified as either financial assets at fair value through profit or loss; loans and receivables; held-to maturity investments; or as available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition and re-evaluates this designation at each financial year-end. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All purchases and sales of financial assets are recognised on the trade date, being the date that the Company commits to purchase or sell the asset. Such transactions require delivery of assets within the timeframe generally established by regulation or convention in the marketplace. The subsequent measurement of financial assets depends on their classification, as follows:

Financial assets at fair value through profit or loss

Financial assets classified as held-for-trading and other assets designated as such on inception are included in this category. Financial assets are classified as held-for-trading if they are acquired for sale in the short term. Derivatives are also classified as held-for-trading unless they are designated as hedging instruments. Assets are carried in the balance sheet at fair value with gains or losses recognised in the profit and loss account.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Held-to-maturity investments are carried at amortised cost using the effective interest method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Notes to the financial statements

at 31 October 2014

1. Accounting policies (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as such or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recorded at cost.

Fair values

The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis and pricing models. Otherwise assets will be carried at cost.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its fair value is transferred from equity to the profit and loss account. Reversals of impairment losses on debt instruments are reversed through the profit and loss account, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the profit and loss account.

Notes to the financial statements

at 31 October 2014

1. Accounting policies (continued)

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it expires or is settled, sold or cancelled.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the profit and loss account.

Tangible fixed assets

Depreciation of tangible fixed assets is provided over estimated useful lives as follows:

Computer equipment	Straight line over applicable useful life
Furniture and fittings	15 years straight line

Depreciation is charged from the relevant date in the year use commences.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date arising from transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Pension costs

An external pension provider operates a defined contribution scheme on behalf of the Company and payments made by the Company are charged directly to the profit and loss account in the period to which they relate.

Share-based compensation plans

The Company operates a restricted share unit plan, which is offered to certain employees of the Company. Under this plan, participants are awarded share units equivalent to TDBG's common shares that generally vest over four years. A liability is accrued by the Company related to such share units awarded and an incentive compensation expense is recognised in the Profit and Loss Account over the vesting period.

Compensation expense for these plans is recorded in the year the incentive award is earned by the plan participant. Changes in the value of these plans are recorded in the Profit and Loss Account.

The Company also offers deferred share unit plans to eligible employees. Under these plans, a portion of the participant's annual incentive award and/or maturing share units may be deferred as share units equivalent to TDBG's common shares.

Foreign currencies

Trading results denominated in foreign currencies are translated into Sterling at average rates of exchange during the year.

For reporting purposes, monetary assets and liabilities (including share capital) denominated in currencies other than Sterling are translated into Sterling at spot rates of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in currencies other than Sterling are translated into Sterling at the spot rates of exchange at the date of transaction. Other foreign exchange gains or losses are dealt with through the profit and loss account as other operating income or expense.

Notes to the financial statements

at 31 October 2014

1. Accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

Related party transactions

Under paragraph 3(c) of FRS 8 'Related Party Disclosures', the Company has taken advantage of the exemptions permitted for related party transactions as a result of being a wholly owned subsidiary of a group, where the ultimate parent prepares consolidated financial statements which include the Company and which are publicly available.

Cash flow statement

The Company has not produced a cash flow statement. In accordance with FRS 1 (revised 1996) "Cash Flow Statements", the Company is claiming an exemption as the financial statements of its ultimate parent, which include a cash flow statement, are publicly available.

Segmental information

The businesses of the Company during the year were investing in securities and dealing in exchange-traded securities, which the directors consider to be a single category of business. The sole geographical segment from which the Company has operated is Europe. Consequently, no segmental analysis of the Company's revenue and assets is required.

2. Turnover

	2014 *£'000*	*2013* *£'000*
Commission income from other group companies on sale of institutional equities	3,072	3,194
Commission income from third parties on sale of institutional equities	463	386
Interest receivable on cash at bank	171	232
Interest receivable on deposits with ultimate parent undertaking	35	40
Interest receivable on deposits with other group companies	76	-
	3,817	3,852

3. Operating profit

Operating profit is stated after charging:

	2014 *£'000*	*2013* *£'000*
Auditor's remuneration – audit services	47	45
Auditor's remuneration – non audit services	-	2
Charges from ultimate parent undertaking	69	47
Charges payable to group undertaking	11	6
Depreciation (Note 7)	3	4

Notes to the financial statements

at 31 October 2014

4. Employees

Staff Costs

	2014 *£'000*	*2013* *£'000*
Salaries and benefits	1,859	1,649
Social security costs	180	220
Pension costs	62	68
	2,101	1,937

The average monthly number of employees during the year was made up as follows:

	2014 *No.*	*2013* *No.*
Front office	6	7
Support staff	2	2
	8	9

Directors' remuneration

There were no directors employed by the Company during the year. 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 (2013: £Nil).

No pension contributions under either a defined contribution or defined benefit scheme were accrued for any director in 2014 (2013: £Nil) in respect of their role with the Company.

During the year, no director was advanced a loan (2013: £Nil) in respect of their role with the Company.

The Company does not operate a qualifying share option scheme.

5. Interest payable and similar charges

	2014 *£'000*	*2013* *£'000*
Interest payable on bank loans from ultimate parent undertaking	-	6

Notes to the financial statements

at 31 October 2014

6. Taxation

	2014 *£'000*	*2013* *£'000*
Current tax:		
UK corporation tax for the year	286	175
Adjustments in respect of prior periods	(21)	(5)
Total current tax charge	265	170
Deferred tax:		
Change in opening deferred tax resulting from reduction in tax rates	8	18
Adjustments in respect of prior periods	24	43
Origination and reversal of timing differences	(93)	86
Tax on profit on ordinary activities	204	317

	2014 *£'000*	*2013* *£'000*
Deferred tax asset:		
At 1 November	130	277
Change in opening deferred tax resulting from reduction in tax rates	(8)	(18)
Adjustments in respect of prior periods	(24)	(43)
Arising and reversing during the year	93	(86)
At 31 October (Note 8)	191	130

The headline rate of UK corporation tax reduced from 23% to 21% on 1 April 2014, and through the enactment of Finance Act 2013 will reduce further to 20% from 1 April 2015.

Under UK GAAP, 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 20% was enacted on 17 July 2013, the deferred tax balances at 31 October 2014 have been assessed accordingly.

The tax assessed for the year is higher than the hybrid rate applying in the UK (21.83%). The differences are explained below:

	2014 *£'000*	*2013* *£'000*
Profit on ordinary activities before tax	831	1,082
Profit on ordinary activities multiplied by hybrid rate of 21.83% (2013: 23.41%)	181	253
Effects of:		
Items not deductible for tax purposes	12	8
Timing differences	93	(86)
Adjustments to tax charge in respect of prior years	(21)	(5)
Tax for the year	265	170

Notes to the financial statements

at 31 October 2014

6. Taxation (continued)

Recognised deferred tax

As at 31 October 2014, the Company had P&L timing differences of £963,823 (2013: £649,298), giving a deferred tax asset of £191,037 (2013: £129,860).

Unrecognised deferred tax

The company has not provided for deferred tax on capital losses carried forward of £1,262,971 (2013: £1,262,971) at the balance sheet date. If an asset were provided it would equate to £252,591 (2013: £252,591).

7. Tangible fixed assets

	Computer Hardware £'000	*Furniture and fittings £'000*	*Total £'000*
Cost			
As at 1 November 2013	13	5	18
Additions during the year	1	-	1
As at 31 October 2014	14	5	19
Accumulated depreciation			
As at 1 November 2013	(9)	(2)	(11)
Charge for the year	(3)	-	(3)
As at 31 October 2014	(12)	(2)	(14)
Net book value as at 31 October 2014	2	3	5
Net book value as at 31 October 2013	4	3	7

8. Debtors

	2014 £'000	*2013 £'000*
Deposits with ultimate parent undertaking	4,393	4,913
Amounts owed by ultimate parent undertaking	541	-
Amounts owed by other group companies	1,485	651
Deferred tax asset (Note 6)	191	130
Prepayments and accrued income	-	11
Deposits with group companies	56,191	-
	62,801	5,705

Deposits with ultimate parent undertaking and with group companies are held on overnight deposit and are interest bearing. Amounts owed by ultimate parent undertaking and group companies are repayable on demand and are non-interest bearing. Prepayments and accrued income are repayable in less than one month, and are non-interest bearing.

Notes to the financial statements

at 31 October 2014

9. Creditors: amounts falling due within one year

	2014 *£'000*	*2013* *£'000*
Bank loans from ultimate parent undertaking	74	71
Accruals and deferred income	2,505	1,884
Amounts owed to ultimate parent undertaking	-	238
Amounts payable to other group companies	77	91
Taxation payable	265	101
	2,921	2,385

Bank loans from ultimate parent undertaking are held on overnight deposit and are interest bearing. Other amounts owed to ultimate parent undertaking and amounts payable to other group companies are repayable on demand and are non-interest bearing. All external supplier payments are settled on presentation of invoice. Internal supplier payments are settled on demand.

The Company paid corporation tax of £102,906 in 2014 (2013: £nil).

10. Issued share capital

	2014 *£'000*	*2013* *£'000*
Allotted, called-up and fully paid:		
1,000,000 Ordinary shares of £1 each	1,000	1,000
62,000,000 Redeemable preference shares of £1 each	62,000	62,000
	63,000	63,000

The redeemable preference shares are redeemable at par on the following dates (or earlier if the directors so resolve):

25,000,000 redeemable preference shares of £1 each issued 27 September 1991 redeemable on 31 October 2021.

4,000,000 redeemable preference shares of £1 each issued on 3 February 1992 redeemable on 31 October 2022.

27,000,000 redeemable preference shares of £1 each issued on 30 April 1996 redeemable on 31 October 2026.

6,000,000 redeemable preference shares of £1 each issued on 24 July 1996 redeemable on 31 October 2026.

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 has the right to receive a variable non-cumulative preferential dividend between the rates of 1 per cent and 20 per cent per share per annum.

The redeemable preference shares have attached to them the same rights regarding voting and payment on a winding up as are attached to ordinary shares.

Notes to the financial statements

at 31 October 2014

10. Issued share capital (continued)

Capital management

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company will make adjustments to its capital in light of changes in economic conditions and the risk characteristics of its activities. The Company continues to hold sufficient capital to ensure that flexibility is maintained in its operations. During the year ended 31 October 2014 the Capital Requirements Regulation and the Capital Requirements Directive IV were implemented, these regulations have led to changes in the Company's policies and processes, but not the Company's objectives. No changes were made to the objectives, policies or processes during the year ended October 2013.

The Group Treasury and Balance Sheet Management function is responsible for managing capital for TDBG and is responsible for acquiring, maintaining and retiring capital, with oversight from the Toronto-Dominion Bank's Board of Directors.

Regulatory capital

	2014	*2013*
	£'000	*£'000*
Tier 1 capital	18,503	21,574
Tier 2 capital	54,895	21,574
Tier 3 capital	-	29,617
	73,398	72,765
Capital Risk	880	1,120
Market Risk – Foreign Exchange	241	284
Operational Risk	601	574
Total Pillar 1	1,722	1,978
Pillar 2	1,555	1,606
Total Capital required	3,277	3,584

Regulatory capital consists of Tier 1 capital, which comprises share capital and retained earnings including current year profit. A proportion of the redeemable preference share capital is eligible for inclusion in Tier 1 capital. The other component of regulatory capital is Tier 2 capital, which includes preference shares, being the excess over the limits for Tier 1.

Notes to the financial statements

at 31 October 2014

11. Reconciliation and analysis of shareholder's funds

Year ended 31 October 2014

	Profit and loss account £'000	*Ordinary share capital £'000*	*Preference shares (equity) £'000*	*Shareholder's funds £'000*
At 1 November 2013	9,794	1,000	62,000	72,794
Profit for the financial year	627	-	-	627
At 31 October 2014	10,421	1,000	62,000	73,421

Year ended 31 October 2013

	Profit and loss account £'000	*Ordinary share capital £'000*	*Preference shares (equity) £'000*	*Shareholder's funds £'000*
At 1 November 2012	9,029	1,000	62,000	72,029
Profit for the financial year	765	-	-	765
At 31 October 2013	9,794	1,000	62,000	72,794

12. Share-based payments

The Company operates a restricted share unit plan which is offered to certain employees. Under this plan, participants are awarded share units equivalent to TD Bank Group's ("TDBG") common shares that generally vest over four years, providing the employees have remained continuously employed by the Group for this period. The number of units granted is determined using the closing share price on the Toronto Stock Exchange ("TSX") on the trading day preceding the grant date.

Beginning with units granted in December 2009, the Human Resources Committee ("HRC") of the Board of TDBG has the discretion to adjust the number of units within a range of 80% to 120% at maturity based on the Bank's total shareholder return. Share units are subject to a claw back in the event of a material misrepresentation resulting in the restatement of financial results or a material error, within a three year retrospective period for non-Code Staff and a seven year retrospective period for those identified as Code Staff. In the event of a material misrepresentation or error, the committee will determine the extent of the claw back based on the specific circumstances.

At the maturity date, the participant receives cash representing the value of the share units, unless the employee previously elected to defer them into deferred share units. Any dividends earned over the period will be re-invested in additional units that will be paid at maturity. Redemption proceeds are paid within 60 days of maturity, net of statutory withholdings, and are taxed as employment income. The redemption value of units can be reduced by the HRC in unusual circumstances.

A liability is accrued by the Company related to such share units awarded and an incentive compensation expense is recognised in the profit and loss account over the vesting period. Compensation expense for these plans is recorded in the year the incentive award is earned by the plan participant. Changes in the value of these plans are recorded in the profit and loss account.

For the year ended 31 October 2014, the Bank recognised compensation expense for these plans of £208,312 (2013: £195,998).

Notes to the financial statements

at 31 October 2014

12. Share-based payments (continued)

	2014	*2013 restated*
	No. of Units	*No. of Units*
Outstanding at 1 November	30,612	42,520
Granted during the year	7,957	12,260
Released during the year	(21,023)	(24,168)
Outstanding at 31 October	17,546	30,612

TDBG share price at 31 October 2014 was C$55.47 (2013: C$47.82). The CAD:GBP exchange rate at 31 October 2014 was 1.8030 (2013: 1.6718). The prior year figures and 2014 opening balance have been restated to provide appropriate comparatives following the 1 for 1 stock dividend (equivalent to a 2-for-1 Stock Split) dated January 31st 2014.

13. Risk management

Objectives, policies and strategies

The principal financial risks faced by the Company are interest rate risk, liquidity risk, credit risk and foreign currency risk. A description of the significant risks associated with the Company's activities is provided below.

TD Securities Limited has a formal structure for managing risk, including established risk limits, reporting lines, mandates and other control procedures. This structure is reviewed by the Board.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; there are, however, separate independent bodies responsible for managing and monitoring risks.

Risk committee

The Risk Committee of the ultimate parent undertaking has the overall responsibility for the development of group risk strategy and implementation principles, frameworks, policies and limits. It is responsible for the fundamental risk issues and manages and monitors relevant risk decisions.

Risk management

The Company reports to the Group Risk Management Department of the ultimate parent undertaking, which is responsible for implementing and maintaining risk-related procedures to ensure an independent control process and for monitoring compliance with risk principles, policies and limits across the Company. This unit also ensures the complete capture of the risks in risk measurement and reporting systems.

Treasury

The Finance Department of the Company is responsible for managing the Company's assets and liabilities and the overall financial structure. It is also primarily responsible for funding and managing the liquidity risks of the Company.

Internal audit

Using a risk-based approach, risk management processes throughout the Company are audited on a periodic basis by the Internal Audit Department of the ultimate parent undertaking, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

Notes to the financial statements

at 31 October 2014

13. Risk management (continued)

Risk measurement and reporting systems

Monitoring and controlling risk is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment in which the Company operates as well as the level of risk that the Company is willing to accept. In addition, the Company monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from daily operations is examined and processed in order to analyse, control and identify risks. This information is presented and shared among the Board of Directors and the Company's senior management. The reporting includes aggregate credit exposure, hold-limits exceptions and risk profile changes.

Interest rate risk

The net interest income of the Company is exposed to movements in interest rates. This is managed by using short term deposits, which earn applicable money market rates of interest. For both 2014 and 2013, all interest rate sensitive instruments have maturity dates within one month. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

Liquidity risk

The Company's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in funding, to retain full public confidence in the solvency of the Company and to enable the Company to meet its financial obligations. This is achieved through maintaining a prudent level of liquid assets and through management control of the growth of the business. In addition to cash at bank recorded on the face of the balance sheet, the maturity profile of the Company's assets and liabilities, based on contractual maturity date or earliest available date on which repayment can be demanded where relevant, is set out in Notes 8 and 9.

Credit risk

Credit risk is defined as the potential for financial loss if a bank, borrower or counterparty in a transaction fails to meet its obligations in accordance with agreed terms. The Company's exposure to credit risk is generally reflected in the carrying amounts of financial assets on the balance sheet. Cash is placed on term or overnight deposits with Group Risk Management-approved financial institutions.

Foreign currency risk

Foreign currency risk refers to losses that could result from changes in foreign currency exchange rates. The Company's exposure to foreign currency risk occurs where assets and liabilities are denominated in currencies other than Sterling. The Group Treasury and Balance Sheet Management function is responsible for managing non-trading foreign exchange risk, with oversight from the ultimate parent, namely the Toronto-Dominion Bank's Board of Directors.

The following table demonstrates the sensitivity to a reasonably possible change, set at 10%, in the Sterling exchange rate against the Canadian Dollar, Euro and US Dollar exchange rates, with all other variables held constant, to the Company's profit before tax. This table discloses absolute values for the potential exchange rate movements at 31 October:

		2014	*2013*
	Increase/ Decrease	*£000*	*£000*
Canadian Dollars	+/-10%	10	79
Euro	+/-10%	58	-
US Dollars	+/-10%	5	17

Notes to the financial statements

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14. Financial instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements.

	2014		*2013*	
	Book value £'000	*Fair value £'000*	*Book value £'000*	*Fair value £'000*
Financial assets				
Tangible fixed assets	5	5	7	7
Debtors	62,801	62,801	5,705	5,705
Cash at bank	13,536	13,536	69,467	69,467
Financial liabilities				
Bank loans and amounts owed to group undertakings	(74)	(74)	(71)	(71)
Accruals and deferred income	(2,505)	(2,505)	(1,884)	(1,884)
Amounts owed to ultimate parent undertaking	-	-	(238)	(238)
Amounts payable to other group companies	(342)	(342)	(192)	(192)
	73,421	73,421	72,794	72,794

15. Ultimate parent undertaking and controlling party

The immediate parent company and the parent undertaking of the smallest group of which the Company forms part of is Toronto Dominion Holdings (UK) Ltd, which is incorporated in the United Kingdom. Copies of its financial statements may be obtained from Toronto Dominion Holdings (UK) Ltd, 60 Threadneedle Street, London EC2R 8AP.

The Company's ultimate parent undertaking, controlling party and the parent of the largest group to consolidate the financial statements of the Company is The Toronto-Dominion Bank, which is incorporated in Canada. Copies of The Toronto-Dominion 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.