TD Securities Limited

Report and Audited Financial Statements

31 October 2020

Registered No: 2650118

Registered No: 2650118

Directors

J Banks (British)
M Cole (British)
M Huppke (Canadian)
J Moore (Canadian)

Company Secretary
D Hirani (British)

Auditors

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Registered Office

60 Threadneedle Street
London
EC2R 8AP

Directors' report

The directors submit their report and audited financial statements for the year ended 31 October 2020.

Results and dividends

TD Securities Limited's ("the Company") results for the year are shown in the statement of comprehensive income on page 11. The total comprehensive income for the year was a gain of £517,434 (2019: gain of £181,959).

No dividend on ordinary shares was declared during 2020 and none is proposed (2019: £Nil).

Information on the principal activity, risks, uncertainties and future developments of the business are provided in the strategic report on page 5.

Going concern

The Company's management has made a forward-looking assessment, and after considering the wider European footprint of its ultimate parent company The Toronto-Dominion Bank ("TD Bank"), have concluded that it is inappropriate to presume that the company will continue in business. It is the Directors intention that the Company will be liquidated with the business ultimately transferring to either TD Bank's EU based subsidiary in Ireland, TD Global Finance ("TDGF") or TD Bank's UK based subsidiary TD Bank Europe Ltd ("TDBEL").

Based on the assessment performed, the directors would, therefore, like to highlight that:

- All assets and liabilities are expected to be realised or settled within the next 12 months, and have been presented on a current year basis.
- All remaining assets are measured at realisable value, while liabilities are measured at settlement value.
- The liquidation costs will be borne by another group entity.

Accordingly, the financial statements for the year ended 31 October 2020 have been prepared on a basis other than going concern.

Events since the balance sheet date

The directors confirmed at a Board meeting on 20 January 2020, post balance sheet date, that it is their intention to liquidate the company.

Directors and their interests

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

J Banks (British)	-	Director
M Cole (British)	-	Independent Non-Executive Director
M Huppke (Canadian)	-	Director
J Moore (Canadian)	-	Director

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 ("TD Bank"), the ultimate parent company, are as follows:

Ordinary Shares

	At 1 November 2019	*Additions/Disposals during the year*	***At 31 October 2020***
J Banks	6	74	**80**
M Huppke	23	11	**34**
J Moore	22	1	**23**
	51	86	**137**

Directors' report (continued)

Directors and their interests (continued)

During the financial year the Company's directors benefited from qualifying third party indemnity granted by the Company's ultimate parent, The Toronto-Dominion Bank, indemnifying the directors against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity remains in force as at the date of the financial statements.

Pillar 3

Pillar 3 is a required regulatory requirement for the Company's capital, risk exposures and risk management policies that have been prepared at the European parent level separately from these financial statements. As part of a UK regulated banking group, when preparing the Pillar 3 disclosures, the Company is required to comply with

(i) the Capital Requirement Regulation (EU) No 575/2013 ("CRR")

(ii) the Final Report on the guidelines on disclosures requirements under Part 8 of CRR issued by EBA on 14 December 2016 (amended version on 9 June 2017) ("EBA Guidelines") and

(iii) the PRA Supervisory Statements

Financial instrument risk management

Directors have considered risks arising from financial instruments in note 13.

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 2020 financial year.

Name of entity	*TD Securities Limited*
Geographical location	*United Kingdom*
Turnover	*£2,454,962 (2019:£3,265,727)*
Average number of employees	*3 (2019:4)*
Profit before tax	*£712,317 (2019:£252,938)*
Public subsidies received	-

The Company paid corporation tax of £172,921in 2020 (*2019:* £42,000), and received a refund of £Nil *(2019: £Nil)*.

Directors' report (continued)

Disclosure of information to the auditors

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

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

The Auditors, Ernst & Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board

J Banks
Director
9 February 2021

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 maintains client relationships with a number of large multinational organisations, many of which require access to capital markets in Europe and elsewhere. Post Brexit, TDSL now cannot market to Europe and clients requiring such access have onboarded to EU based subsidiaries of TD Bank Group, namely the Irish subsidiary, TD Global Finance Unlimited Company (TDGF), with UK based institutional equities business to be transferred to TDBEL.

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 and research. The sales team is responsible for facilitating the distribution of listed Canadian equities and initial public 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

During the financial year, the Company continued 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 Financial Conduct Authority ("FCA").

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

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

	2020	*2019*	*Change*
	£'000	*£'000*	
Turnover	2,455	3,265	(25)%
Operating profit	712	253	181%
Profit for the financial year	518	182	185%
Total shareholder's equity	76,806	76,288	1%

Operating profit increased in 2020 by 181% mainly due to decrease in commissions paid to group companies and salaries & benefits due to loss of Front Office headcount.

Principal risks and uncertainties

The financial risk management objectives and policies of the Company are shown in Note 13 of the financial statements. The non-financial instrument risks of the Company have been assessed and are not considered to have a material impact on its results.

Strategic report

Future developments

It is noted that the directors intend to ultimately liquidate the Company. The transfer of business is expected to take place by 31 October 2021.

On behalf of the board

J Banks

Director
9 February 2021

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business. For the reasons stated in the Director's Report and in note 2, the financial statements of the Company have been prepared on a basis other than going concern.

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

Opinion

We have audited the financial statements of TD Securities Limited (the 'company') for the year ended 31 October 2020 which comprise the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Emphasis of matter – Conclusions relating to going concern

We draw attention to note 2 to the financial statements which explains that it is the intention of the Directors that the Company will be liquidated and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

We have nothing to report in this regard.

Independent auditor's report

***to the members of TD Securities Limited** (continued)*

Opinions on other matters prescribed by the Companies Act 2006

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

- 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; and

- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

to the members of TD Securities Limited (continued)

Use of our report

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.

Ernst & Young L.L.P.

JeanPhilippe Jacques Faillat (Senior statutory auditor)

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

London

17 February 2021

Statement of comprehensive income

for the year ended 31 October 2020

	Note	2020 £'000	2019 £'000
Turnover	4	2,455	3,265
Operating charges		(777)	(1,976)
Foreign exchange loss		(3)	36
		1,675	1,325
Administrative expenses	5	(963)	(1,072)
Profit on ordinary activities before taxation		712	253
Tax expense	7	(194)	(71)
Profit for the financial year		518	182
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		518	182

The accompanying notes on pages 14 to 27 form an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 October 2020

	Called up share capital £'000	*Retained earnings £'000*	*Total shareholders equity £'000*
Balance as at 31 October 2019	63,000	13,288	76,288
Profit for the financial year	-	518	518
At 31 October 2020	63,000	13,806	76,806

	Called up share capital £'000	*Retained earnings £'000*	*Total shareholders equity £'000*
Balance as at 31 October 2018	63,000	13,106	76,106
Profit for the financial year	-	182	182
At 31 October 2019	63,000	13,288	76,288

The accompanying notes on pages 14 to 27 form an integral part of these financial statements.

Balance sheet

at 31 October 2020

	Note	2020 £'000	2019 £'000
Current assets			
Tangible fixed assets	8	28	25
Deferred tax asset	7	38	44
Cash and cash equivalents	9	79,382	79,918
Debtors	10	530	419
Taxation receivable		18	-
Total assets		79,996	80,406
Current liabilities			
Creditors	11	(3,190)	(3,962)
Taxation payable		-	(156)
Total liabilities		(3,190)	(4,118)
Net assets		76,806	76,288
Capital and reserves			
Called up share capital	12	63,000	63,000
Retained earnings		13,806	13,288
Total shareholder's equity		76,806	76,288

The financial statements were approved by the Board of Directors on 9 February 2021 and signed on their behalf by:

J Banks
Director

The accompanying notes on pages 14 to 27 form an integral part of these financial statements.

Notes to the financial statements

at 31 October 2020

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

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

The Company, an authorised institution under The Financial Services and Markets Act 2000, is regulated by the Financial Conduct Authority ("FCA").

The Company is a wholly-owned subsidiary whose parent company is Toronto Dominion Holdings (UK) Limited and whose ultimate parent company is TD Bank, a Canadian financial institution.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements of the Company were approved by the Board of Directors on 9 February 2021.

2. Accounting policies

Basis of preparation

The Company follows UK GAAP (United Kingdom Generally Accepted Accounting Practice) and has adopted Financial Reporting Standard 101 ("FRS 101") Reduced Disclosure Framework for all periods presented. The Company has taken advantage of the following disclosure exemptions under FRS 101:

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

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

c) Paragraph 8 (i) of FRS 101, exempts a qualifying entity from the requirements in IAS 8 to disclose accounting standards not yet effective.

The financial statements are presented in sterling and all values are rounded to the nearest thousand (£000), unless otherwise indicated.

The financial statements are prepared under a historical cost basis, except for certain items carried at fair value as discussed below.

Going concern

The Company's management has made a forward-looking assessment, and after considering the wider European footprint of its ultimate parent company TD Bank, have concluded that it is inappropriate to presume that the company will continue in business. It is the Directors intention that the Company will be liquidated with the business ultimately transferring to either TD Bank's EU based subsidiary in Ireland, TD Global Finance ("TDGF") or TD Bank's UK based subsidiary TD Bank Europe Ltd ("TDBEL").

Based on the assessment performed, the directors would, therefore, like to highlight that:

- All assets and liabilities are expected to be realised or settled within the next 12 months, and have been presented on a current year basis.
- All remaining assets are measured at realisable value, while liabilities are measured at settlement value.
- The liquidation costs will be borne by another group entity.

Accordingly, the financial statements for the year ended 31 October 2020 have been prepared on a basis other than going concern.

Notes to the financial statements

at 31 October 2020

2. Accounting policies (continued)

Significant accounting policies

The preparation of financial statements in conformity with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) requires that management make estimates, assumptions and judgements that affect the application of accounting policies regarding the reported amount of assets, liabilities, revenue and expenses.

The following summary of accounting policies have been applied to all periods presented in the financial statements.

Revenue recognition

Revenue is recognized at an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring services to a customer, excluding amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a good or a service to a customer at a point in time or over time. The determination of when performance obligations are satisfied requires the use of judgment. The Company identifies contracts with customers subject to IFRS 15, which create enforceable rights and obligations. The Company determines the performance obligations based on distinct services promised to the customers in the contracts. Turnover includes commission income earned on the sale of equity securities and research fees received from clients. The Company introduces clients to another group company who acts as Agent on behalf of the client and executes client trades in exchange for a commission. The Company earns a portion of the commission income generated for their client introduction and relationship management role in the client trade lifecycle. Commission income is recognized in income over the period in which the related service is rendered.
Interest from interest-bearing assets and liabilities is calculated using the nominal rate.

Revenue recognition policies related to financial instruments are described in the accounting policies below.

Financial instruments

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

Offsetting of financial instruments

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

Derecognition of financial instruments

Financial Assets

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

When the Company transfers a financial asset, it is necessary to assess the extent to which the Company has retained the risks and rewards of ownership of the transferred asset. If substantially all the risks and rewards of ownership of the financial asset have been retained, the Company continues to recognize the financial asset and also recognizes a financial liability for the consideration received. If substantially all the risks and rewards

Notes to the financial statements

at 31 October 2020

of ownership of the financial asset have been transferred, the Company will derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer. The

2. Accounting policies (continued)

Derecognition of financial instruments (continued)

Company determines whether substantially all the risk and rewards have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows does not change significantly as a result of the transfer, the Company has retained substantially all of the risks and rewards of ownership.

Financial Liabilities

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

Operating charges

Operating charges, which comprise of expenditures such as commissions paid to group companies, are recognized at a point in time when the transaction is executed.

Foreign currencies

The Company's financial statements are presented in sterling, which is the functional and presentation currency of the Company. Monetary assets and liabilities denominated in a currency that differs from an entity's functional currency are translated into the functional currency of the entity at exchange rates prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates. Income and expenses are translated into an entity's functional currency at average exchange rates prevailing throughout the year. Translation gains and losses are included in foreign exchange gain/(loss) on the statement of comprehensive income.

Fixed assets

The following depreciation policy, applied to the comparative period of year ended 31 October 2019, will continue to apply until the expected sale of assets in advance of transfer.

Depreciation of property and equipment is provided over estimated useful lives as follows:

Computer hardware	2 to 8 years straight line
Furniture and fittings	10 years straight line

Depreciation is charged from the relevant month in the year use commences. The Company assesses its depreciable assets for impairment on a quarterly basis. When impairment indicators are present, the recoverable amount of the asset, which is the higher of its estimated fair value less costs to sell and its value-in-use, is determined. If the carrying value of the asset is higher than its recoverable amount, the asset is written down to its recoverable amount.

Share-based compensation

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 which track the price of a TD Bank common share. The participants are also credited with dividend equivalents and the share units mature on the relevant anniversary of the award based on its term as defined in the participation agreement. On maturity the amounts are paid in cash. The obligation related to share units is included under creditors. Compensation expense is recognized based on the fair value of the share units at the grant date adjusted for changes in fair value between the grant date and the vesting date over the service period required for employees to become fully entitled to the awards.

Notes to the financial statements

at 31 October 2020

2. Accounting policies (continued)

Share-based compensation (continued)

This period is generally equal to the vesting period, in addition to a period prior to the grant date. For the Company's share units, this period is generally equal to four years. The obligation related to the share units is cash settled.

Provisions

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

Income taxes

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

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

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 Statement of Comprehensive Income in the period to which they relate.

Current Assets

All assets have been classified as current and recorded at their estimated net realizable value or liquidation value which represents the estimated amount of net cash that will be received upon the disposition of the assets (on an undiscounted basis).

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax assets and liabilities are determined based on the tax rates that are expected to apply when the assets or liabilities are reported for tax purposes. Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available in future periods against which deductible temporary differences may be utilized.

Other assets and other liabilities

Other assets and accounted for at realisable value; Other liabilities are accounted for at settlement value.

3. Current Changes in Accounting Policies

No new or amended standards have been adopted by the Company.

Notes to the financial statements

at 31 October 2020

4. Turnover

	2020 *£'000*	*2019* *£'000*
Commission income from other group companies on sale of institutional equities	1,688	2,258
Research fee income	409	438
Interest receivable on deposits with ultimate parent undertaking	21	42
Interest receivable on deposits with other group companies	320	526
Interest payable on bank loans from ultimate parent undertaking	(17)	(32)
Other income from other group companies	34	33
	2,455	3,265

5. Administrative expenses

	2020 *£'000*	*2019* *£'000*
Personnel expenses		
Wages and salaries	489	581
Social security costs	65	73
Pension costs	28	37
	582	691
Other expenses		
Other administrative expenses	324	308
Auditor's remuneration - audit services	38	43
Auditor's remuneration - CASS audit	13	13
Depreciation	6	17
	381	381
Total administrative expenses	963	1,072

	2020 *No.*	*2019* *No.*
The average monthly number of employees during the year is as follows:		
Front office staff	2	3
Support staff	1	1
	3	4

The executive directors receive no remuneration in respect of their services to the Company. The non-executive director receives a fee borne by TDBEL for services provided to the Company, the Company's element of this fee amounted to £25,000. Although none of the Company's executive 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 (2019: £Nil).

No pension contributions under either a defined contribution or defined benefit scheme were accrued for any director in 2020 (2019: £Nil) in respect of their role with the Company.

During the year, no director was advanced a loan (2019: £Nil) in respect of their role with the Company.

Notes to the financial statements

at 31 October 2020

6. 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 the Bank's common shares that generally vest over three 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.

The Human Resources Committee ("HRC") of the Board of the Bank has the discretion to adjust the number of units. 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-Material Risk Takers . 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 and an additional period prior to the grant date. 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 2020, the Company recognised compensation expense for these plans of £39,877 (2019: £53,154).

	2020	*2019*
	No. of units	*No. of units*
Outstanding at 1 November	3,615	5,792
Granted during the year	2,337	1,179
Released during the year	(1,348)	(3,356)
Outstanding at 31 October	4,604	3,615

The Toronto-Dominion Bank ("TD Bank") share price at 31 October 2020 was C$58.78 (2019: C$75.31). The CAD/GBP exchange rate at 31 October 2020 was 1.7260 (2019: 1.7061).

Notes to the financial statements

at 31 October 2020

7. Taxation

Tax charged in the statement of comprehensive income:	*2020* *£'000*	*2019* *£'000*
Current income tax:		
UK corporation tax	127	33
Adjustment with respect to prior years	61	23
Total current income tax	188	56

The deferred tax included in the Company balance sheet is as follows:	*2020* *£'000*	*2019* *£'000*
Deferred tax:		
Origination and reversal of temporary differences	9	17
Amounts overprovided in previous years	2	-
Impact of change in tax laws and rates	(5)	(2)
Total deferred tax	6	15
Tax expense in the statement of comprehensive income	194	71

Reconciliation of the total tax charged:

The total tax charge reported in the statement of comprehensive income is higher than the standard rate of corporation tax applying in the period of 19.00% (2019: 19.00%).

The differences are explained below:	*2020* *£'000*	*2019* *£'000*
Profit/(loss) before taxation	712	253
Tax calculated using rate of corporation tax in the UK of 19.00% (2019: rate of 19.00%)	135	48
Expenses not deductible for tax purposes	-	2
Impact of change in tax laws and rates	(5)	(2)
Adjustments to tax charge in respect of prior years	64	23
Total tax expense reported in the statement of comprehensive income	194	71

Corporation tax rate

The headline rate of UK corporation tax for 2020 is 19%.

Recognised deferred tax

As at 31 October 2020, the Company had P&L temporary differences of £17,103 (2019: £260,325), giving a deferred tax asset of £3,250 (2019: £44,255).

Unrecognised deferred tax

The company has not provided for deferred tax on capital losses carried forward of £1,262,971 (2019: £1,262,971) at the balance sheet date. If an asset were provided it would equate to £239,964 (2019: £214,705)

Notes to the financial statements

at 31 October 2020

7. Taxation (continued)

Deferred Tax	*2020* *£'000*	*2019* *£'000*
Deferred tax asset		
Share based payment	29	32
Capital allowances	9	12
	38	44

8. Tangible fixed assets

	Computer hardware £'000	*Furniture and fittings £'000*	*Total £'000*
Cost			
As at 1 November 2019	38	6	44
Additions during the year	11	0	11
As At 31 October 2020	49	6	55
Amortisation			
As at 1 November 2019	(16)	(3)	(19)
Charge for the year	(7)	(1)	(8)
As At 31 October 2020	(23)	(4)	(27)
Net book value as at 31 October 2020	26	2	28
Net book value as at 31 October 2019	22	3	25

9. Cash and cash equivalents

	2020 *£'000*	*2019* *£'000*
Deposits with group companies	77,953	77,558
Deposits with ultimate parent undertaking	1,429	2,360
	79,382	79,918

Deposits with group companies and deposits with ultimate parent undertaking are interest bearing and repayable on demand.

10. Debtors

	2020 *£'000*	*2019* *£'000*
Amounts owed by ultimate parent undertaking	46	47
Amounts owed by other group companies	484	372
	530	419

Amounts owed by ultimate parent undertaking and group companies are non-interest bearing and repayable on demand.

Notes to the financial statements

at 31 October 2020

11. Creditors

	2020 *£'000*	*2019* *£'000*
Bank loans from ultimate parent undertaking	2,158	2,017
Amounts owed to ultimate parent undertaking	396	912
Amounts payable to other group companies	33	380
Accruals	603	653
	3,190	3,962

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 £122,000 in 2020 (2019: £42,000).

12. Share capital

	2020 *£'000*	*2019* *£'000*
Authorized shares:		
260,000,000 (2019: 260,000,000) Ordinary shares of £1 each	260,000	260,000

	2020 *£'000*	*2019* *£'000*
Allotted, called-up and fully paid:		
63,000,000 (2019: 63,000,000) Ordinary shares of £1 each	63,000	63,000

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. No changes were made to the objectives, policies or processes during the year ended 31 October 2020.

Notes to the financial statements

at 31 October 2020

12. Share capital (continued)

Regulatory capital

	2020 £'000	2019 £'000
Common Equity Tier 1 capital	76,806	76,288
	76,806	76,288

Regulatory capital consists of Tier 1 capital, which comprises called up share capital and retained earnings including current year profit. The other component of regulatory capital is Tier 2 capital, which is Nil as at 31 October 2020 and 31 October 2019.

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.

The Company 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 Board.

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.

Notes to the financial statements

at 31 October 2020

13. Risk management (continued)

Risk measurement and reporting systems

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 2020 and 2019, 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. 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 table below.

2020

	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	1 – 5 years £'000	Over 5 years £'000	Total £'000
Cash and cash equivalents	79,382	-	-	-	-	79,382
Debtors	548	-	-	-	-	548
Deferred tax asset	38	-	-	-	-	38
Tangible Fixed Assets	28	-	-	-	-	28
Total Assets	79,996	-	-	-	-	79,996
Creditors	1,032	2,158	-	-	-	3,190
Taxation payable	-	-	-	-	-	-
Total Liabilities	1,032	2,158	-	-	-	3,190

2019

	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	1 – 5 years £'000	Over 5 years £'000	Total £'000
Cash and cash equivalents	79,918	-	-	-	-	79,918
Debtors	419	-	-	-	-	419
Deferred Tax Assets	44	-	-	-	-	44
Total Assets	80,381	-	-	-	-	80,381
Creditors	1,945	2,017	-	-	-	3,962
Taxation Payable	156	-	-	-	-	156
Total Liabilities	2,101	2,107	-	-	-	4,118

Notes to the financial statements

at 31 October 2020

13. Risk management (continued)

Credit risk

Credit risk is defined as the potential for financial loss if a 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. The majority of the Company's credit risk is with other group companies.

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 function is responsible for managing non-trading foreign exchange risk, with oversight from the ultimate parent, namely the TDBG'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 ("PBT"). This table discloses absolute values for the potential exchange rate movements at 31 October:

2020

	Sterling	US Dollars	Euro	Canadian Dollars	Others	Total
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Cash and cash equivalent	77,385	(78)	(6)	2,081	-	79,382
Tangible Fixed Assets	28	-	-	-	-	28
Debtors	65	66	-	455	-	586
Total Assets	77,478	(12)	(6)	2,536	-	79,996
Creditors	1,713	17	4	1,456	-	3,190
Total Liabilities	1,713	17	4	1,456	-	3,190
Net assets / (liabilities)	75,765	(29)	(10)	1,080	-	76,806

2019

	Sterling	US Dollars	Euro	Canadian Dollars	Others	Total
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Cash and cash equivalent	77,602	(45)	(7)	2,368	-	79,918
Tangible Fixed Assets	25	-	-	-	-	25
Debtors	129	32	-	302	-	463
Total Assets	77,756	(13)	(7)	2,670	-	80,406
Creditors	2,122	32	6	1,958	-	4,118
Total Liabilities	2,122	32	6	1,958	-	4,118
Net assets / (liabilities)	75,634	(45)	(13)	712	-	76,288

Notes to the financial statements

at 31 October 2020

13. Risk management (continued)

Foreign currency risk (continued)	*2020*		*2019*	
	Increase/ Decrease	*PBT £000*	*Increase/ Decrease*	*PBT £000*
US Dollars	+/-10%	3	+/-10%	5
Euro	+/-10%	1	+/-10%	1
Canadian Dollars	+/-10%	108	+/-10%	71

14. Fair value of financial instruments

A. Fair value of financial instruments that are carried at fair value

FRS requires disclosure of a three-level hierarchy for fair value measurements based on transparency of inputs to the valuation of an assets or liability as of the measurement date. The three levels are defined as follows:

(a) Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company has no financial instruments carried at fair value.

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Deposits with other group companies (Note 9); Deposits with ultimate parent undertaking (Note 9); Amount owed by ultimate parent undertaking (Note 10); Amount owed by other group companies (Note 10); Bank loans and amounts owed to group undertakings (Note 11); Amount owed to ultimate parent undertaking (Note 11); Amount payable to other group companies (Note 11); Other accruals and deferred income (Note 11);

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates at or near the end of the reporting period.

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) Limited, which is incorporated in the United Kingdom. Copies of its financial statements may be obtained from Toronto Dominion Holdings (UK) Limited, 60 Threadneedle Street, London EC2R 8AP.

Notes to the financial statements

at 31 October 2020

15. Ultimate parent undertaking and controlling party (continued)

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

16. Subsequent Events

On 20th January 2021 the board directors agreed in principle to the unwinding of the company.