

DEALWISE LIMITED

Report and Accounts

31 October 2002



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Dealwise Limited

Registered No. 3220934

DIRECTORS

C J Bradley

L N Arnett

P A Ireland

K L Dowd

Resigned

4th July 2002

B Masrani

Resigned

18th December 2002

SECRETARY

C J Bradley

AUDITORS

Ernst & Young LLP

Rolls House

7 Rolls Buildings

Fetter Lane

London

EC4A 1NH

REGISTERED OFFICE

Triton Court

14 - 18 Finsbury Square

London

EC2A 1DB

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 October 2002.

REVIEW OF THE BUSINESS

The company has not traded during the year and the directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were listed on page 1.

None of the directors held any disclosable interest in the shares of the company.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board

Director



Date

27.1.03

Dealwise Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF DEALWISE LIMITED

We have audited the company's financial statements for the year ended 31 October 2002 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and Reconciliation of Shareholders' Funds and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

This report has been prepared for the members of the company pursuant to Section 235 of the Companies Act 1985 (the "Act") and for no other purpose.

No person is entitled to rely on this report unless such person:

- i) is a person who is entitled to rely on this report by virtue of and for the purposes of the Act; or
- ii) has been expressly authorised to do so by our prior written consent

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 October 2002 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

Date *27 January 2003*

Dealwise Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 October 2002

	Notes	2002 £000	2001 £000
TURNOVER	2	-	1,866
Administrative expenses		-	(2,022)
OPERATING LOSS	3	-	(156)
Profit on disposal of business to other group undertaking		-	68,386
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		-	68,230
Interest receivable		-	222
Interest payable to group undertakings		-	(27)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	68,425
Taxation	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	68,425
Dividends paid and proposed (including non-equity interests)	6	-	(67,478)
RETAINED PROFIT FOR THE FINANCIAL PERIOD	12	-	947

Dealwise Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 October 2002

	2002 £000	2001 £000
Profit for the financial period	-	947
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	-	947

Dealwise Limited

BALANCE SHEET

at 31 October 2002

	Notes	2002 £000	2001 £000
CURRENT ASSETS			
Debtors	8	54	12,616
Cash at bank and in hand	9	-	20
		<u>54</u>	<u>12,636</u>
CREDITORS: amounts falling due within one year	10	-	(14)
		<u>54</u>	<u>12,622</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	11	54	10,731
Share premium account	12	-	1,891
Profit and loss account	12	-	-
TOTAL SHAREHOLDERS' FUNDS	12	<u>54</u>	<u>12,622</u>

An analysis of shareholders' funds between equity and non-equity interests is as follows:

Equity	54	12,622
Non equity	-	-
	<u>54</u>	<u>12,622</u>

A reconciliation of the movement in shareholders' funds is given in note 12.

Name PHILIP IRELAND

Director



Date 27/1/03

NOTES TO THE ACCOUNTS
at 31 October 2002

1. ACCOUNTING POLICIES

Accounting convention

These accounts have been prepared in accordance with applicable accounting standards and the historical cost convention, as modified by the revaluation of certain investments.

Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary or business is subsequently sold or closed, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life as follows.

Equipment, fixtures and fittings	– 5 years
Motor vehicles	– 4 years

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating leases

The rental charges under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Dealwise Limited

NOTES TO THE ACCOUNTS

at 31 October 2002

Pensions

TD Waterhouse Investor Services (Europe) Limited, which at 31 October 2002 was a fellow subsidiary undertaking, operates a defined contribution pension scheme for the group. Contributions from Dealwise Limited are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Related party transactions

In accordance with FRS 8, the company has not presented details of related party transactions with fellow group undertakings, as the company is a subsidiary of a group where greater than 90% of the voting rights are controlled within the group and the group's parent financial statements are publicly available.

Group accounts

The company has not produced group accounts as it is a wholly owned subsidiary undertaking and its immediate parent undertaking produces group accounts. Accordingly these accounts present information about the company as an individual undertaking and not about its group.

Cashflow Statement

The company has not produced a cash flow statement. In accordance with Financial Reporting Standard 1 (revised), the company is claiming exemption as a cash flow statement is included within the financial statements of its ultimate parent undertaking, for which accounts are publicly available.

Investments

Fixed asset investments are stated at the lower of cost and net realisable value.

2. TURNOVER

Turnover represents stockbroking commissions and fees for execution only discount brokerage, stated net of VAT, and is derived from the continuing operation of the business within the UK. The directors consider that the company operates in a single business and geographical segment.

3. OPERATING LOSS

The operating loss is stated after charging the following:

	2002 £000	2001 £000
Depreciation of tangible fixed assets	-	57
Auditors' remuneration – audit services	-	10
Operating leases - land and buildings	-	68
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The auditors remuneration is paid by TD Waterhouse Investor Services (Europe) Ltd and in the current year has not been recharged.

Dealwise Limited

NOTES TO THE ACCOUNTS

at 31 October 2002

4. DIRECTORS' AND EMPLOYEES' COSTS

	2002 £000	2001 £000
Salaries	-	848
Social security costs	-	76
Other pension costs	-	13
	<u>-</u>	<u>937</u>

The average number of employees during the period, was as follows:

	2002 No.	2001 No.
Staff	-	58

On 30th November 2000 the employees of Dealwise Limited transferred to TD Waterhouse Investor Services (Europe) Limited.

No directors are remunerated by this company (2001 - nil).

5. TAXATION

	2002 £000	2001 £000
Corporation tax on profit on ordinary activities at 30%	-	-
	<u>-</u>	<u>-</u>

6. DIVIDENDS PAID AND PROPOSED

Dividends comprise:

	2002 £000	2001 £000
Ordinary dividend paid (equity)	-	67,478

Dealwise Limited

NOTES TO THE ACCOUNTS

at 31 October 2002

7. INVESTMENTS

At 31 October 2002 the company held an investment of £2 (31 October 2001: £2) consisting of shares in the subsidiary undertaking, Wellington Street Nominees Limited, the ordinary shares of which are wholly owned by the company. The subsidiary acts as nominee shareholder to hold shares on behalf of customers of Dealwise Limited.

8. DEBTORS

Amounts falling due within one year:

	2002 £000	2001 £000
Amounts due from other group undertakings	54	12,616

9. CASH AT BANK AND IN HAND

	2002 £000	2001 £000
Client settlement balances	-	15
Other bank balances	-	5
	-	20

10. CREDITORS: amounts falling due within one year

	2002 £000	2001 £000
Bank loans and overdrafts	-	14

Dealwise Limited

NOTES TO THE ACCOUNTS at 31 October 2002

11. CALLED UP SHARE CAPITAL

Share capital comprises the following:

	31 October 2002		31 October 2001	
	<i>Authorised</i>		<i>Authorised</i>	
	<i>No.</i>	<i>000s</i>	<i>No.</i>	<i>000s</i>
<i>Equity Shares</i>				
Ordinary £1 shares	12,731,000	12,731	12,731,000	12,731
		<u>12,731</u>		<u>12,731</u>

	31 October 2002		31 October 2001	
	<i>Issued and fully paid</i>		<i>Issued and fully paid</i>	
	<i>No.</i>	<i>000s</i>	<i>No.</i>	<i>000s</i>
<i>Equity</i>				
Ordinary £1	54,000	54	10,731,000	10,731
		<u>54</u>		<u>10,731</u>

During the year the company reduced its share capital to 54,000 issued and fully paid £1 shares from 10,731,000 issued and fully paid £1 shares. The shares were repurchased for cash.

12 RECONCILIATION AND ANALYSIS OF SHAREHOLDERS' FUNDS

	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total share holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 November 2000	10,731	2,400	1,891	(3,347)	11,675
Revaluation reserve	-	(2,400)	-	2,400	-
Profit for the period after taxation	-	-	-	68,425	68,425
Dividends	-	-	-	(67,478)	(67,478)
At 31 October 2001	10,731	-	1,891	-	12,622
Capital Reduction	(10,677)	-	(1,891)	-	(12,568)
At 31 October 2002	54	-	-	-	54

NOTES TO THE ACCOUNTS

at 31 October 2002

13 PENSION COMMITMENTS

The majority of employees of the company were members of the TD Waterhouse Investor Services (Europe) Limited defined contribution pension scheme. During the year ended 31 October 2001 they transferred to TD Waterhouse Investor Services (Europe) Ltd and the disclosure of pension arrangements is given in the accounts of that company.

14 RELATED PARTY TRANSACTIONS

There were no related party transactions which require disclosure under Financial Reporting Standard No. 8.

15 PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate UK parent undertaking in the period was TD Waterhouse Investor Services (UK) Limited, a company incorporated in England.

Dealwise Limited is included within the UK consolidated accounts of TD Waterhouse Investor Services (UK) Ltd.

The company's ultimate parent company and controlling party is The Toronto-Dominion Bank, which is incorporated in Canada. Copies of the group financial statements may be obtained from:

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