

3242 334 7

TD WATERHOUSE INVESTOR SERVICES (UK) LIMITED

Group Accounts

31 October 2004



A09
COMPANIES HOUSE

A9CPK5EN

0740
19/05/05

TD Waterhouse Investor Services (UK) Limited

Registered No. 3242334

DIRECTORS

C J Bradley
P A Ireland
W Hatanaka
M Foulkes

SECRETARY

J Lader

AUDITORS

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

REGISTERED OFFICE

Exchange Court
Duncombe Street
Leeds
LS1 4AX

TD Waterhouse Investor Services (UK) Limited

DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 31st October 2004.

RESULTS AND DIVIDENDS

The group made a loss for the year, after taxation, of £1,774,000 (2003 £88,344,000). Included in the prior year loss was goodwill written off amounting to £79,187,293. The directors do not recommend the payment of a final dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The groups principal activity is discount brokerage.

FUTURE DEVELOPMENTS

The group will continue to invest in technology and look for strategic business opportunities to enhance growth during the forthcoming year.

SUPPLIERS STATEMENT

The group is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is the groups policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking by the group to pay suppliers within 30 days following receipt of a correctly prepared invoice submitted in accordance with the terms of the contract. At 31 October 2004, the group had an average of 36 days purchases outstanding in trade creditors.

DISABLED EMPLOYEES

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

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

EMPLOYEE INVOLVEMENT

Employees are provided with information about the group by means of the group's intranet site. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the group through bonuses, which are related to the group's results.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year are listed below

C J Bradley		
P A Ireland		
W Hatanaka	Appointed	28 th May 2004
M Foulkes	Appointed	19 th July 2004
D Livingston	Resigned	28 th May 2004
L Arnett	Resigned	5 th January 2004
T Pinnington	Resigned	19 th July 2004

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

TD Waterhouse Investor Services (UK) Limited

DIRECTORS' REPORT

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

M. Halliwell

Date

Jan. 19 2005

TD Waterhouse Investor Services (UK) 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 group and of the profit or loss of the group 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 group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TD WATERHOUSE INVESTOR SERVICES (UK) LIMITED

We have audited the group's financial statements for the year ended 31st October 2004 which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet and Reconciliation of Consolidated Shareholders' Funds and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 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.

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 group 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 group'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 and of the group as at 31st October 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

Date 27/1/5

TD Waterhouse Investor Services (UK) Limited

GROUP PROFIT AND LOSS ACCOUNT

For the year ending 31st October 2004

	<i>Notes</i>	<i>2004 £000</i>	<i>2003 £000</i>
TURNOVER	2	39,739	29,521
Administrative expenses		(43,072)	(42,038)
Write off of goodwill		-	(79,187)
Other charges		-	(235)
GROUP OPERATING LOSS	3	(3,333)	(91,939)
Interest receivable		6,083	6,838
Interest payable and similar charges	5	(3,720)	(2,943)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(970)	(88,044)
TAXATION	6	(804)	(300)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	15	(1,774)	(88,344)

TD Waterhouse Investor Services (UK) Limited

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31st October 2004

	<i>2004</i> <i>£000</i>	<i>2003</i> <i>£000</i>
Loss for the financial year	(1,774)	(88,344)
Unrealised surplus on the revaluation of investments	-	265
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(1,774)</u>	<u>(88,079)</u>

TD Waterhouse Investor Services (UK) Limited

GROUP BALANCE SHEET

As at 31st October 2004

	Notes	2004 £000	2003 £000
FIXED ASSETS			
Tangible assets	7	5,052	5,055
Investments	8	1,050	3,469
		<u>6,102</u>	<u>8,524</u>
CURRENT ASSETS			
Debtors	9	197,678	179,590
Long positions in securities		1,412	1,066
Cash at bank and in hand	10	161,608	172,050
		<u>360,698</u>	<u>352,706</u>
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	11	(339,547)	(333,178)
Short positions in securities		(363)	(888)
		<u>20,788</u>	<u>18,460</u>
NET CURRENT ASSETS			
		<u>26,890</u>	<u>27,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	12	3,000	1,500
		<u>23,890</u>	<u>25,664</u>
CAPITAL AND RESERVES			
Called up share capital	14	170,460	170,460
Profit and loss account	15	(146,570)	(146,417)
Revaluation Reserve	15	-	1,621
		<u>23,890</u>	<u>25,664</u>
TOTAL SHAREHOLDERS' FUNDS			
	15	<u>23,890</u>	<u>25,664</u>

Director

Michael G. Faulkes

Date

Jan. 19, 2005

TD Waterhouse Investor Services (UK) Limited

BALANCE SHEET

As at 31st October 2004

	Notes	2004 £000	2003 £000
FIXED ASSETS			
Investments	8	35,654	34,654
CREDITORS: amounts falling due within one year	11	(553)	(230)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>35,101</u>	<u>34,424</u>
CAPITAL AND RESERVES			
Called up share capital	14	170,460	170,460
Profit and loss account	15	(135,359)	(136,036)
TOTAL SHAREHOLDERS' FUNDS	15	<u>35,101</u>	<u>34,424</u>

Director

Michael J. Perkins

Date

Jan. 19, 2005

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

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.

Basis of consolidation

The group accounts consolidate the accounts of TD Waterhouse Investor Services (UK) Limited and all its subsidiary undertakings drawn up to 31st October each year. No profit and loss account is presented for TD Waterhouse Investor Services (UK) Limited as permitted by section 230 of the Companies Act 1985. The profit dealt with in the financial statements of the parent company is £677,000.

The results of new subsidiary undertakings are included from the dates of their acquisition.

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

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:

Leasehold improvements	-	over 7 years
Motor vehicles	-	over 5 years
Fixtures, fittings and office equipment	-	over 5 years
Computer equipment	-	over 3 years
Computer software	-	over 3 years

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

A subsidiary undertaking (TD Waterhouse Investor Services (Europe) Limited) operates a defined contribution pension scheme, which is externally funded and covers all eligible staff employees. The scheme funds are administered by trustees and are independent of the subsidiary's finances. Contributions are charged against profits in the year in which contributions are made.

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

1. ACCOUNTING POLICIES (continued)

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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Group relief

Tax credits are recognised in respect of taxable losses where sufficient taxable profits are available for offset within other undertakings in the same group.

Investments

Fixed asset investments are stated at the lower of cost and net realisable value. Investments in subsidiaries are stated at cost less provision for any impairment in value.

Cash flow statement

The company has not produced a cash flow statement. In accordance with FRS 1, 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.

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.

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

2. TURNOVER

Turnover represents fees and commissions receivable for execution only discount stock broking activities, market making and management fees received from group undertakings.

The group's turnover and operating profit relate solely to activities carried out in the United Kingdom.

3. OPERATING LOSS

The operating loss is arrived at after charging:

	Group 2004 £000	Group 2003 £000
Goodwill written off	-	79,187
Auditors' remuneration - audit services	132	122
Auditors' remuneration - non audit services	86	89
Depreciation of owned assets	3,163	3,694
Operating lease rentals		
- land and buildings	1,499	1,378
- other	22	297
	<u> </u>	<u> </u>

4. DIRECTORS' AND EMPLOYEES' COSTS

	Group 2004 £000	Group 2003 £000
Salaries	16,010	14,612
Social security costs	1,613	1,311
Other pension costs	354	293
	<u> </u>	<u> </u>
	17,977	16,216
	<u> </u>	<u> </u>

All staff costs were incurred by the subsidiaries. There were no outstanding pension contributions at the balance sheet date.

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

	Group 2004 No.	Group 2003 No.
Staff	581	570
	<u> </u>	<u> </u>

Directors' Emoluments

	Group 2004 £000	Group 2003 £000
Directors' emoluments including pension contributions	1,065	1,309
	<u> </u>	<u> </u>
Emoluments of the highest paid director (including pension contributions)	504	501
	<u> </u>	<u> </u>

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Group</i>	<i>Group</i>
	<i>2004</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>
Interest payable to customers	2,388	2,497
Interest payable to group companies	901	324
Interest payable to banks and other institutions	431	122
	<u>3,720</u>	<u>2,943</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Tax on loss on ordinary activities

	<i>Year ended</i>	<i>Year ended</i>
	<i>31 October</i>	<i>31 October</i>
	<i>2004</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>
Current year corporation tax	-	-
Prior year corporation tax	21	300
Deferred tax (note 13)	783	-
Corporation tax charge	<u>804</u>	<u>300</u>

b) Factors affecting current tax charge for the year:

The actual tax credit differs from the expected tax credit computed by applying the standard UK corporation tax rate of 30% as follows:

Net loss before taxation	(970)	(88,044)
Corporation tax at 30%	(291)	(26,413)
Effects of:		
Goodwill amortisation / written off	-	23,756
Depreciation over capital allowances	949	1,108
Non deductible items	60	98
Losses (utilised)/unutilised	(718)	1,451
Current year corporation tax	<u>-</u>	<u>-</u>

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

7. TANGIBLE FIXED ASSETS

Group

	<i>Leasehold improvements £000</i>	<i>Fixtures fittings and office equipment £000</i>	<i>Computer software and equipment £000</i>	<i>Total £000</i>
Cost or valuation:				
At 1 November 2003	368	3,458	21,817	25,643
Additions	-	-	3,187	3,187
Disposals	(4)	(23)	-	(27)
At 31 October 2004	364	3,435	25,004	28,803
Depreciation:				
At 1 November 2003	240	2,316	18,032	20,588
Charge for the year	46	434	2,683	3,163
Disposals	-	-	-	-
At 31 October 2004	286	2,750	20,715	23,751
Net book value				
At 31 October 2004	78	685	4,289	5,052
At 1 November 2003	128	1,142	3,785	5,055

8. INVESTMENTS

Group

	<i>£000</i>
Cost or valuation:	
At 1 November 2003	3,469
Disposal – investment in shares	(2,090)
Disposal – investment property	(329)
At 31 October 2004	1,050
Listed investments at market value	297
Listed investments at cost	753
At 31 October 2004	1,050

The listed investments have been valued using market value as at 31 October 2004.

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

<i>Company</i>	<i>2004</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>
Cost at 1 November 2003	34,654	171,634
Investment in subsidiary	1,000	-
Goodwill written off	-	(8,358)
Write down of carrying value of investments	-	(128,622)
Cost at 31 October 2004	35,654	34,654

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

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
TD Waterhouse Investor Services (Europe) Limited ¹	Ordinary shares	100%	Brokerage
Aitken Campbell and Co Limited ⁷	Ordinary shares	100%	Market maker
Sharemarket Limited ²	Ordinary shares	100%	Dormant
TD Waterhouse Nominees (Europe) Limited ²	Ordinary shares	100%	Dormant
TD Waterhouse Properties (UK) Limited ²	Ordinary shares	100%	Dormant
YorkSHARE Limited ¹	Ordinary shares	100%	Dormant
YorkSHARE Nominees Limited ³	Ordinary shares	100%	Dormant
Dealwise Limited ²	Ordinary shares	100%	Dormant
Wellington Street Nominees Limited ⁴	Ordinary shares	100%	Dormant
DLJdirect Limited ²	Ordinary shares	100%	Dormant
TDWSCH Holding Company Limited ⁵	Ordinary shares	100%	Dormant
TD Waterhouse Holdings UK Limited	Ordinary shares	100%	Dormant
AC Nominees Limited ⁶	Ordinary shares	100%	Dormant

¹6% of the share capital of TD Waterhouse Investor Services (Europe) Limited is owned by YorkSHARE Limited (a fellow subsidiary undertaking).

²100% owned by TD Waterhouse Investor Services (Europe) Limited

³100% owned by YorkSHARE Limited

⁴100% owned by Dealwise Limited

⁵100% owned by TD Waterhouse Holdings UK Limited

⁶100% owned by Aitken Campbell and Co Limited

⁷100% owned by TDWSCH Holding Company Limited

All of the above companies are incorporated in the UK.

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

9. DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	191,298	172,290	-	-
Other debtors	1,728	1,926	-	-
Corporation tax	284	2,507	-	-
Prepayments and accrued income	4,368	2,867	-	-
	<u>197,678</u>	<u>179,590</u>	<u>-</u>	<u>-</u>

10. CASH AT BANK AND IN HAND

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Company balances	2,426	12,850	-	-
Client settlement balances	159,182	159,200	-	-
	<u>161,608</u>	<u>172,050</u>	<u>-</u>	<u>-</u>

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

11. CREDITORS: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade creditors	323,342	289,945	-	-
Amounts owing to parent company	193	601	-	-
Amounts owing to group undertakings	7,000	33,500	553	-
Accruals	6,045	5,848	-	-
Other creditors including taxation and social security	2,967	3,284	-	230
	<u>339,547</u>	<u>333,178</u>	<u>553</u>	<u>230</u>

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

12. CREDITORS: amounts falling due after more than one year

	<i>Group</i> <i>2004</i> £000	<i>Group</i> <i>2003</i> £000
Short term subordinated loan, repayable 11 July 2005	-	1,500
Short term subordinated loan, repayable 5 October 2006	3,000	-
	<hr/>	<hr/>

The subordinated loan is due to other group undertakings outside the UK group

13. DEFERRED TAX

<i>Group</i>	<i>2004</i> £000	<i>2003</i> £000
Deferred tax asset at 1 November 2003	841	-
Charged to profit and loss in the year (note 6)	(783)	-
Deferred tax recovery	(58)	-
Acquired on acquisition	-	841
	<hr/>	<hr/>
	-	841
	<hr/>	<hr/>

As at 31 October 2004, there are tax losses carried forward of £22,137,000 and a potential deferred tax asset of £12,103,000. The directors have not recognised the benefit of the loss because they do not believe that the full amount will be recoverable in the foreseeable future.

14. CALLED UP SHARE CAPITAL

	<i>2004</i> <i>No.</i> <i>'000s</i>	<i>2003</i> <i>No.</i> <i>'000s</i>
Authorised:		
Ordinary shares of £1 each	1,000,000	1,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary shares of £1 each	170,460	170,460
	<hr/>	<hr/>

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

Group

	<i>Share capital £000</i>	<i>Revaluation reserve £000</i>	<i>Profit and loss account £000</i>	<i>Share- holders' funds £000</i>
At 1 November 2002	170,460	1,356	(58,073)	113,743
Revaluation surplus	-	265	-	265
Retained loss for the year	-	-	(88,344)	(88,344)
At 31 October 2003	170,460	1,621	(146,417)	25,664
Realised on disposal	-	(1,621)	1,621	-
Retained loss for the year	-	-	(1,774)	(1,774)
At 31 October 2004	170,460	-	(146,570)	23,890

Company

	<i>Share Capital £000</i>	<i>Profit and loss account £000</i>	<i>Share- holders' funds £000</i>
At 1 November 2003	170,460	944	171,404
Retained loss for the year	-	(136,980)	(136,980)
At 31 October 2003	170,460	(136,036)	34,424
Retained profit for the year	-	677	677
At 31 October 2004	170,460	(135,359)	35,101

TD Waterhouse Investor Services (UK) Limited

NOTES TO THE ACCOUNTS

at 31st October 2004

16. OTHER FINANCIAL COMMITMENTS

At 31st October 2004 the group had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire:				
Within one year	-	-	-	-
In one to two years	156	-	-	-
In two to five years	1,757	286	261	-
In over five years	557	1,315	-	-
	<u>2,470</u>	<u>1,601</u>	<u>261</u>	<u>-</u>

17. PENSION COMMITMENTS

The group operates a defined contribution pension scheme, which is externally funded and covers all eligible staff employees. The assets of the scheme are held separately from those of the company in an independent administered fund. There were no unpaid contributions outstanding at the year end (2003 - £nil). £354,000 has been recognised in the profit and loss account in relation to pension contributions for the year.

18. RELATED PARTY TRANSACTIONS

There were no related party transactions, which require disclosure under FRS 8.

19. PARENT UNDERTAKING AND CONTROLLING PARTY

The group's immediate and ultimate parent company is The Toronto-Dominion Bank, which is incorporated in Canada. It has included the company in its group accounts, copies of which are available 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