

Registered number 3242334

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TD WEALTH HOLDINGS (UK) LIMITED

Group Accounts

31 October 2011



TD Wealth Holdings (UK) Limited

Registered No 3242334

DIRECTORS

P C Whitehead

P Masterson

SECRETARY

F Sobo-Allen

AUDITORS

Ernst & Young LLP

One Bridgewater Place

Water Lane

Leeds

LS11 5QR

REGISTERED OFFICE

Exchange Court

Duncombe Street

Leeds

LS1 4AX

TD Wealth Holdings (UK) Limited

DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 31st October 2011

RESULTS AND DIVIDENDS

The group made a profit for the year, after taxation, of £1,541,000 (2010 profit £5,514,000) The directors do not recommend the payment of a final dividend (2010 £Nil)

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The group's principal activity is discount brokerage in the UK There have not been any significant changes to the group's principal activities in the year under review The directors are not aware, at the date of this report, of any likely major changes in the group's activities in the next year

As shown in the group's profit and loss account on page 8, the group's turnover has increased by 7% over the prior year although profit after tax has decreased from £5,514,000 to £1,541,000

The group's balance sheet on page 9 of the financial statements shows the group's financial position at the year end

Key Performance Indicators

	2011	2010
Revenue growth	6.9%	40.7%
Profit after tax change	(72%)	(13.8%)
Income diversity		
Commission as % total income	64.7%	63.5%
Net interest as % total income	9.8%	10.2%
Other income as % total income	25.5%	26.3%
Treasury return	1.6%	1.6%
Trades per day	14,049	12,544

KPI's are widely used by the business to aid strategic and tactical decision making A volatile economic climate makes the accuracy, interpretation and use of KPI's even more critical to the successful running of the business Revenue has continued to grow but at a much slower rate than in the previous year This is primarily due to the downturn in net interest income caused by external economic factors The treasury return is managed by careful and prudent management of cash balances, which is impacted by underlying market rates Trades per day is a key metric to the business and is the major driver of both revenue and costs The current year shows an uplift of 12% on the previous year

The company's profit after tax has been negatively impacted by additional costs in respect of rebranding (£1,373,000) and fixed asset impairments (£1,826,000) These are non-recurring costs and are therefore not expected to impact future profitability

Principal risks and uncertainties

Competitive pressure in the UK is a continuing risk for the group, which could result in it losing commission to its key competitors The group manages this risk by remaining competitive through offering an excellent standard of service to its customers and a diverse range of products

TD Wealth Holdings (UK) Limited

DIRECTORS' REPORT

Credit risk remains a principal risk area for the group due to trading activity by clients. This is managed through offering individual trading limits which incorporate concentration limits on certain stocks and sectors.

The group has limited exposure to liquidity risk as the treasury and cash management function is outsourced to a related party. The group however retains close oversight of the related party's treasury policies and maturity profile.

Whilst the group is exposed to interest rate risk it is managed through careful management of its cash portfolio and interest payable on its product range. No interest has been paid on any products since 1 February 2009 following a steep decline in the Bank of England base rate. The group has a diversified revenue stream and is not solely reliant on net interest as an income source. Management considers, therefore, that interest rate risk is adequately managed. In accordance with FSA regulations, the group stress tests interest rate risk on a quarterly basis against a 200 basis point (2%) parallel fall in interest rates. In the current low interest rate environment this means assuming no interest income.

The group deals with stock in a number of currencies and therefore has a small exposure to movements in the currency exchange rates. The treasury function manages this risk through the appropriate purchase and sale of currencies to match clients' trading requirements.

Details of Pillar III disclosures can be seen on the following website: www.tddirectinvesting.co.uk

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 group's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking by the group to pay suppliers within 30 days following receipt of a correctly prepared invoice submitted in accordance with the terms of the contract. At 31 October 2011, the group had an average of 38 days (2010: 28 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

The directors of the group during the year and up to the date of signing this report and accounts are listed below.

TD Wealth Holdings (UK) Limited

DIRECTORS' REPORT

C J Bradley
P A Ireland
P C Whitehead
P Masterson

Resigned 01 March 2012
Resigned 30 November 2011
Appointed 24 May 2012

DIRECTORS' REPORT

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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

On behalf of the board



Director

Paul Masterson

Date 27 June 2012

TD Wealth Holdings (UK) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TD Wealth Holdings (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TD WEALTH HOLDINGS (UK) LIMITED

We have audited the financial statements of TD Wealth Holdings (UK) Limited for the year ended 31 October 2011 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audit financial statement. If we became aware of apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

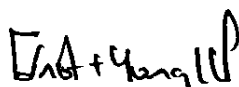
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

TD Wealth Holdings (UK) Limited

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



Alistair Denton,

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

Leeds

Date 10/7/12

TD Wealth Holdings (UK) Limited

GROUP PROFIT AND LOSS ACCOUNT & STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 October 2011

GROUP PROFIT AND LOSS ACCOUNT

	<i>Notes</i>	<i>Total Year ended 31 Oct 2011 £000</i>	<i>Total Year ended 31 Oct 2010 £000</i>
TURNOVER	2	65,001	60,788
Administrative expenses		(69,828)	(61,829)
Operating (Loss) before interest	3	(4,827)	(1,041)
Interest receivable		7,099	6,996
Interest payable and similar charges	5	(23)	(70)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,249	5,885
Taxation	6	(708)	(371)
RETAINED PROFIT FOR THE PERIOD	16	1,541	5,514

All operations are continuing

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		<i>Year ended 31 Oct 2011 £000</i>	<i>Year ended 31 Oct 2010 £000</i>
Profit for the financial year	16	1,541	5,514
(Loss)/Gain on trade investment		(1,500)	3,947
Deferred tax liability		454	(1,066)
Total recognised gains and losses relating to the year		495	8,395
Total gains and losses recognised since last annual report		495	8,395

TD Wealth Holdings (UK) Limited

GROUP BALANCE SHEET

As at 31st October 2011

	<i>Notes</i>	<i>2011 £000</i>	<i>2010 £000</i>
FIXED ASSETS			
Intangible assets	7	16,111	17,856
Tangible assets	8	8,453	9,200
Investments	9	3,204	4,704
		<u>27,768</u>	<u>31,760</u>
CURRENT ASSETS			
Debtors	10	317,330	330,108
Cash at bank and in hand	11	44,507	32,182
		<u>361,837</u>	<u>362,290</u>
CURRENT LIABILITIES			
Creditors falling due within one year	12	(326,189)	(332,035)
Provision for cessation of business	13	-	(94)
		<u>35,648</u>	<u>30,161</u>
NET CURRENT ASSETS			
		<u>63,416</u>	<u>61,921</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>63,416</u>	<u>61,921</u>
 CAPITAL AND RESERVES			
Called up share capital	15	176,460	175,460
Revaluation reserve	16	1,835	2,881
Profit and loss account	16	(114,879)	(116,420)
		<u>63,416</u>	<u>61,921</u>
TOTAL SHAREHOLDERS' FUNDS	16	<u>63,416</u>	<u>61,921</u>

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

Approved by the board on 27th June 2012

Director

Paul Masterson

Date 27th June 2012

TD Wealth Holdings (UK) Limited

COMPANY BALANCE SHEET

As at 31st October 2011

	Notes	2011 £000	2010 £000
FIXED ASSETS			
Investments	9	35,793	35,826
DEBTORS	10	2,920	-
CREDITORS amounts falling due within one year	12	(634)	(553)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>38,079</u>	<u>35,273</u>
CAPITAL AND RESERVES			
Called up share capital	15	176,460	175,460
Profit and loss account	16	(138,381)	(140,187)
TOTAL SHAREHOLDERS' FUNDS	16	<u>38,079</u>	<u>35,273</u>

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

Approved by the board on 27th June 2012

Director

Paul Masterson



Date 27th June 2012

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS

at 31 October 2011

1 ACCOUNTING POLICIES

Accounting convention

These accounts have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain investments, and applicable accounting standards generally accepted in the United Kingdom and on a going concern basis

Revenue recognition

Revenue represents fees and commissions receivable for execution only stock broking activities and is recognised on an accruals basis

Basis of consolidation

The group accounts consolidate the accounts of TD Wealth Holdings (UK) Limited and all its subsidiary undertakings drawn up to 31 October each year. No profit and loss account is presented for TD Wealth Holdings (UK) Limited as permitted by section 408 of the Companies Act 2006

Client Money

The group holds money on behalf of clients in accordance with the Client Money Rules of the Financial Services Authority. This client money is not shown on the face of the Balance Sheet as the company is not beneficially entitled thereto. This balance is netted against client creditors in the Balance Sheet. Disclosure of the amounts held is made in note 12.

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
Fixtures, fittings and office equipment	-	over 5 years
Computer equipment	-	over 5 years
Computer software	-	over 3 years

Development costs

The group capitalises development costs incurred in improving the brokerage platform. It is assumed that these enhancements provide benefit over a period of time and as such these costs are amortised over a period of three years.

Intangible assets

The costs associated with the acquisition of a new client base are capitalised as intangible fixed assets. These costs are fully amortised, in equal annual instalments, over ten years. The Directors of the group anticipate that the client base acquired will remain active for at least this length of time.

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

Two subsidiary undertakings (TD Direct Investing (Europe) Limited & TD Wealth Institutional Holdings (UK) Limited) operate defined contribution pension schemes, which are externally funded and covers all eligible staff employees. The scheme funds are administered by trustees and are independent of the subsidiaries' finances. Contributions are charged against profits in the year in which contributions are made.

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS

at 31 October 2011

1. ACCOUNTING POLICIES (CONTINUED)

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.

Current taxation

Current tax is recognised on the basis of the prevailing tax rate applied to a forecast profit chargeable to corporation tax. The profit chargeable to corporation tax may differ from the Profit before Tax figure as shown in the Profit and Loss account due to timing differences and differences in taxation and accounting treatment.

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.

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 fair value. Investments in subsidiaries are stated at cost less provision for any impairment in value. Impairment reviews are carried out annually and any indicators of impairment would be analysed and accounted for.

Bad debt provision

Specific provisions are made when it is considered that recovery is doubtful. The specific provisions are netted against trade debtors. Provisions made during the period, less amounts released and recoveries of amounts written off in previous years, are taken to the profit and loss account.

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.

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS at 31 October 2011

1 ACCOUNTING POLICIES (CONTINUED)

Related party transactions

In accordance with Financial Reporting Standard 8, the group has not presented details of related party transactions with fellow group undertakings, as the group 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

2. TURNOVER

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

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

3. OPERATING (LOSS) BEFORE INTEREST

The operating (loss) is arrived at after charging

	Group 2011 £000	Group 2010 £000
Auditors' remuneration - audit services	250	226
Depreciation of owned assets	4,368	4,213
Amortisation of intangible fixed assets	1,745	1,528
Operating lease rentals		
- Land and buildings	2,068	1,773
- Hire of plant and machinery	-	11
	<hr/>	<hr/>

4. DIRECTORS' AND EMPLOYEES' COSTS

	Group 2011 £000	Group 2010 £000
Salaries	24,435	22,597
Social security costs	2,449	2,524
Other pension costs	1,681	1,542
	<hr/>	<hr/>
	28,565	26,663

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 2011 No	Group 2010 No
Staff	783	791
	<hr/>	<hr/>

Directors' Emoluments

	Group 2011 £000	Group 2010 £000
Directors' emoluments excluding pension contributions	1,761	2,252
Pensions contributions	44	142
	<hr/>	<hr/>

Emoluments of the highest paid director	407	618
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TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS at 31 October 2011

Pension contributions of the highest paid director	-	29
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5. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Group</i> <i>2011</i> <i>£000</i>	<i>Group</i> <i>2010</i> <i>£000</i>
Interest payable to customers	2	1
Interest payable to banks and other institutions	21	69
	<u>23</u>	<u>70</u>

6. TAXATION

a) Tax on loss on ordinary activities

	<i>Year ended</i> <i>31 October</i> <i>2011</i> <i>£000</i>	<i>Year ended</i> <i>31 October</i> <i>2010</i> <i>£000</i>
Current Year Corporation Tax Charge/ (Credit)	90	(180)
Deferred Tax (note 14)	618	551
Corporation Tax Charge	<u>708</u>	<u>371</u>

b) Factors affecting current tax charge for the year

The current tax charge for the year differs from the expected tax charge computed by applying the standard UK Corporation Tax rate of 26.83% (2010 28%) as follows

Net profit before taxation	2,249	5,885
Corporation tax at 26.83%	603	1,648
Effects of		
Share of Profits attributable	20	-
Short term timing differences	573	(28)
Depreciation for the period in deficit of capital allowances	41	35
Non-deductible items	121	128
Tax on dividends	(40)	(180)
Capital losses	-	(593)
Group relief for capital losses	-	(212)
Trading losses	(1,228)	(769)
	<u>90</u>	<u>29</u>
Prior year adjustment	-	(209)
Current Year Corporation Tax Charge/ (Credit)	<u>90</u>	<u>(180)</u>

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS at 31 October 2011

7. INTANGIBLE ASSETS AND GOODWILL

£000

Group

Cost	
At 1 November 2010	21,334
At 31 October 2011	21,334
Amortisation of intangibles	
At 1 November 2010	3,478
Charge for the year	1,745
At 31 October 2011	5,223
Net Value at 31 October 2010	17,856
Net Value at 31 October 2011	16,111

8. TANGIBLE FIXED ASSETS

Group

	<i>Leasehold improvements</i> £000	<i>Fixtures fittings and office equipment</i> £000	<i>Computer software and equipment</i> £000	<i>Total</i> £000
Cost				
At 1 November 2010	935	246	25,956	27,137
Additions	83	54	5,310	5,447
Disposals	-	-	(2,516)	(2,516)
At 31 October 2011	1,018	300	28,750	30,068
Depreciation				
At 1 November 2010	174	156	17,607	17,937
Charge for the year	133	27	4,208	4,368
Disposals	-	-	(690)	(690)
At 31 October 2011	307	183	21,125	21,615
Net book value				
At 31 October 2011	711	117	7,625	8,453
At 31 October 2010	761	90	8349	9200

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS at 31 October 2011

9. INVESTMENTS

Group

	31 October 2011 £000	31 October 2010 £000
Fixed Asset Investments		
Unlisted investments at cost		
At 1 November	4,704	3,968
Historic cost of LCH Clearnet investment	-	(294)
Sale of LCH Clearnet investment	-	(2,917)
Revaluation of Euroclear PLC	(1,500)	3,947
Valuation as at 31 st October	3,204	4,704

Company

	£000	£000
Subsidiaries	35,793	35,826
	35,793	35,826

The investment in Euroclear PLC was re-valued in the year, this is shown as a decrease in equity. The valuation was arrived at by discounting the estimated future profitability of Euroclear PLC, and modelling the impact that these profits would have on the valuation of the investment. The discount rate used was consistent with investment appraisal methodologies used within the wider group and the model uses moderate assumptions in terms of future growth potential.

Financial instruments are not considered to represent a significant risk to the entity's financial position or performance. Euroclear PLC represents the only investment held by the entity and it is not held for trading purposes, nor is it subject to credit or interest rate risk.

The following companies went into Members' Voluntary Liquidation on 31 October 2011, TD Waterhouse Holdings (UK) Limited, TDWSCH Holding Company Limited, Aitken Campbell & Company Limited, Dealwise Limited & DLJ Direct Limited.

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:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business	Share capital and reserves £'000
TD Direct Investing (Europe) Limited ¹	Ordinary shares	100%	Brokerage	60,252
TD Direct Investing Nominees (Europe) Limited ²	Ordinary shares	100%	Dormant	nil
TD Waterhouse Properties (UK) Limited ²	Ordinary shares	100%	Dormant	nil
YorkSHARE Limited ¹	Ordinary shares	100%	Dormant	3,000
YorkSHARE Nominees Limited ³	Ordinary shares	100%	Dormant	nil
TD Wealth Services (UK) Limited ⁴	Ordinary shares	100%	Stock broker	(967)
TD Wealth Institutional Holdings (UK) Limited ²	Ordinary shares	100%	Stock broker	11,987
TD Wealth Institutional Nominees (UK) Limited ^{4&5}	Ordinary shares	100%	Dormant	1

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS at 31 October 2011

TDWCS LLP ²	Ordinary shares	100%	Stock broker	6,420
9. INVESTMENTS (CONTINUED)				
TD Wealth Institutional Financial (UK) Limited ^{4&5}	Ordinary shares	100%	FX Trading	396
SecondCo Limited ⁴	Ordinary shares	100%	Dormant	12
ThirdCo Limited ²	Ordinary shares	100%	Dormant	nil
FourthCo Limited ²	Ordinary shares	100%	Dormant	nil

¹6% of the share capital of TD Direct Investing (Europe) Limited is owned by YorkSHARE Limited

²100% owned by TD Direct Investing (Europe) Limited

³100% owned by YorkSHARE Limited

⁴100% owned by TD Wealth Institutional Holdings (UK) Limited

⁵ Shares held through TDWCS LLP

All of the above companies are incorporated in the UK

10. DEBTORS

	<i>Group</i> <i>2011</i> <i>£000</i>	<i>Group</i> <i>2010</i> <i>£000</i>	<i>Company</i> <i>2011</i> <i>£000</i>	<i>Company</i> <i>2010</i> <i>£000</i>
Amount due from counterparties & clients	305,304	322,345	2,908	-
Other debtors	4,865	2,333	-	-
Deferred tax	1,858	1,995	-	-
Prepayments and accrued income	5,303	3,435	12	-
	<u>317,330</u>	<u>330,108</u>	<u>2,920</u>	<u>-</u>

Amounts due from counterparties and clients include £8,538,000 (2010 £35,830,000) due from group undertakings, of which £8,273,000 relates to trades pending settlement (2010 £19,021,000)

11. CASH AT BANK AND IN HAND

	<i>Group</i> <i>2011</i> <i>£000</i>	<i>Group</i> <i>2010</i> <i>£000</i>	<i>Company</i> <i>2011</i> <i>£000</i>	<i>Company</i> <i>2010</i> <i>£000</i>
Company balances	44,507	32,182	-	-
	<u>44,507</u>	<u>32,182</u>	<u>-</u>	<u>-</u>

As at 31 October 2011 the firm held bank deposits totalling £681,545,000 (2010 £531,154,000) on behalf of clients that are excluded from the balance sheet

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS

at 31 October 2011

12. CREDITORS: amounts falling due within one year

	<i>Group</i>	<i>Group</i>	<i>Company</i>	<i>Company</i>
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Amounts due to counterparties and clients	995,830	852,350	-	-
Less funds held on behalf of clients	(681,545)	(531,154)	-	-
Amounts owing to parent company	191	17	-	-
Amounts owing to group undertakings	-	-	553	553
Accruals	8,340	8,545	81	-
Other creditors including taxation and social security	3,373	2,277	-	-
	<u>326,189</u>	<u>332,035</u>	<u>634</u>	<u>553</u>

Amounts due to counterparties and clients include £7,079,000 (2010 £9,573,000) due to group undertakings that relate to trades pending settlement

13. PROVISION FOR LIABILITIES AND CHARGES

Due to the liquidation of Aitken Campbell & Company Limited a provision of £81,000 (2010 £94,000) now resides in TD Wealth Holdings (UK) Limited with regard to its cessation of trade. The company ceased to trade on 14 July 2005.

14. DEFERRED TAX

The deferred tax asset consists of the following amounts

	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Deferred Tax included in the balance sheet is as follows		
Tax losses available for offset in future periods	(535)	(1,573)
Accelerated capital allowances	(1,915)	(1,513)
Revaluation of equity holding	612	1,066
Share of profits yet to be distributed	(20)	(2)
Total	<u>(1,858)</u>	<u>(2,022)</u>

The movement on the asset for the year was as follows

As 1 November 2010 / 2009	(2,022)	(3,639)
Tax charge in profit and loss account	417	437
Amount credited to statement of total recognised gains and losses	(454)	1,066
Reduction in deferred tax asset due to corporation tax rate change	201	114
Balance at 31 October 2011	<u>(1,858)</u>	<u>(2,022)</u>

The rate of corporation tax enacted at the balance sheet date was 25%. Accordingly this rate has been used to calculate the deferred tax asset held by the company.

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS

at 31 October 2011

14. DEFERRED TAX (CONTINUED)

On 21 March 2012 the Chancellor announced a change to the UK rate of corporation tax which was substantively enacted on 26 March 2012. The announced corporation tax rate of 24% will be effective from 1 April 2012 with further reductions of 1% per annum anticipated until the rate reaches 22% in 2014. These additional changes will be enacted separately each year.

The maximum effect on deferred tax of the reduction in the UK corporation tax rate to 22% is expected to be £223,200 (equivalent to 3% of the closing gross deferred tax balance).

<i>Group</i>	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
(Charged) to profit and loss in the year (note 6)	(618)	(551)
	<u>(618)</u>	<u>(551)</u>

15. CALLED UP SHARE CAPITAL

	<i>2011</i> <i>No</i> <i>'000s</i>	<i>2010</i> <i>No</i> <i>'000s</i>
Authorised Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid Ordinary shares of £1 each	<u>176,460</u>	<u>175,460</u>

Additional share capital comprising 1,000,000 £1 ordinary shares were subscribed at par by the parent company in the year.

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS at 31 October 2011

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

Group

	<i>Share Capital £000</i>	<i>Profit and loss Account £000</i>	<i>Revaluation Reserve £000</i>	<i>Total Shareholders funds £000</i>
As at 31 st October 2009	170,460	(121,934)	2,917	51,443
Additional Capital	5,000	-	-	-
Movement in revaluation reserve	-	-	(36)	-
Retained profit for the year	-	5,514	-	-
As at 31 st October 2010	175,460	(116,420)	2,881	61,921
Additional capital	1,000	-	-	1,000
Movement in revaluation reserve	-	-	(1,046)	(1,046)
Retained profit for the year	-	1,541	-	1,541
As at 31 st October 2011	176,460	(114,879)	1,835	63,416

Company

	<i>Share Capital £000</i>	<i>Profit and loss account £000</i>	<i>Share- holders funds £000</i>
At 1 November 2009	170,460	(140,187)	30,273
Additional capital	5,000	-	-
At 31 October 2010	175,460	(140,187)	35,273
Additional capital	1,000	-	1,000
Retained profit for the year	-	1,806	1,806
At 31 October 2011	176,460	(138,381)	38,079

A profit of £1,806,000 arose in the parent company as a result of the liquidation of Aitken Campbell and Company Limited and TDWSCH Holding Company Limited

TD Wealth Holdings (UK) Limited

NOTES TO THE ACCOUNTS at 31 October 2011

17. OTHER FINANCIAL COMMITMENTS

At 31st October 2011 the group had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</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	-	-	-	-
In two to five years	-	-	-	-
In over five years	2,068	1,773	-	-
	<u>2,068</u>	<u>1,773</u>	<u>-</u>	<u>-</u>

18. 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 independently administered fund. There were no unpaid contributions outstanding at the year-end (2010 £nil). £1,681,000 (2010 £1,542,000) has been recognised in the profit and loss account in relation to pension contributions for the year. Pension contributions have increased due to the implementation of a flexible benefits program where employees may opt for a salary sacrifice in lieu of increased pension contributions from the employer.

19. RELATED PARTY TRANSACTIONS

TD Direct Investing (Europe) Limited acts as an outsourced service provider to NatWest Stockbrokers Limited and processes all broking transactions on their behalf. Natwest Stockbrokers Limited is a wholly owned subsidiary of NatWest Personal Financial Management Limited, in itself a Joint Venture between National Westminster Bank plc and The Toronto Dominion Bank Group. The company received income from Natwest Stockbrokers Limited in respect of these services to the value of £12,863,213 (2010 £12,971,371) in the current year. At 31 October 2011 TD Direct Investing (Europe) Limited was due £17,151,048 from this related party on accounts (2010 was due £18,384,781).

TD Direct Investing (Europe) Limited outsources its treasury function to TD Bank N V (UK Branch) a wholly owned subsidiary of TD Bank. The company received income from TD Bank N V (UK Branch) in respect of these services to the value of £1,169,055 (2010 £3,062,321). At 31 October 2011 TD Direct Investing (Europe) Limited was due £46,744,204 from this related party on accounts (2010 was due £61,633,435).

20. PARENT UNDERTAKING AND CONTROLLING PARTY

The group's immediate and ultimate parent company is TD Bank, which is incorporated in Canada. It has included the TD Wealth Holdings (UK) Limited group in its group accounts, copies of which are available from

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