

Company No. 849073

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

REPORT AND FINANCIAL STATEMENTS

31st October 2006

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ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

REPORT OF THE DIRECTORS

For the year ended 31st October 2006

The directors present their annual report and the audited financial statements for the year ended 31st October 2006

The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act 1985

Principal Activities

The principal activities of the company are to receive income from the reinvestment of its capital monies and to act as a Trustee

Review of business and future developments

The directors anticipate increasing levels of income from Trustee activities

Results and dividends

The profit after taxation for the year ended 31st October 2006 was £467k (2005 £171k)

Regulatory Status

The company has been granted a full fiduciary license under section 6 of The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). The financial statements are required by law to 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. The directors also have responsibilities under The Regulation of Fiduciaries, Administration Businesses and Company Directors etc (Bailiwick of Guernsey) Law, 2000. In preparing these financial statements, the directors are required to

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

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

REPORT OF THE DIRECTORS (continued)

For the year ended 31st October 2006

Statement of directors' responsibilities in respect of the financial statements (cont)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 and The Regulation of Fiduciaries, Administration Businesses and Company Directors etc (Bailiwick of Guernsey) Law, 2000. 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.

Directors

The following served as directors during the year

G Huelin

P M Cutts

P Gale

R I Wyatt

The company is an indirect wholly owned subsidiary of Royal Bank of Canada Holdings (UK) Limited. None of the directors have any disclosable interest in the shares of the company or any other group company with the exception of the ultimate parent company. The latter is incorporated outside the United Kingdom, and thus the directors are exempt from disclosing their interests in its shares or debentures.

Secretary

H Coatman resigned as secretary of the Company on 13 June 2006. F Shah resigned on 25th September 2006. O Adejumo was appointed as secretary of the Company on 25th September 2006.

Auditors

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

REPORT OF THE DIRECTORS (continued)

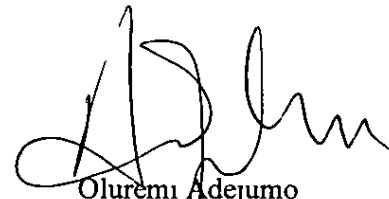
For the year ended 31st October 2006

Statement of directors' responsibilities in respect of the financial statements (cont)

Following the transfer of their business to Deloitte & Touche LLP with effect from 1 October 2006, Deloitte & Touche have confirmed their intention to resign as auditors. It is intended that the company will resolve in the next annual general meeting to accept their resignation, at which time a resolution to appoint Deloitte & Touche LLP as auditors will be proposed.

Approved by the Board of Directors and signed on behalf of the Board

14 AUGUST 2007



Oluremi Adejumo
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

We have audited the financial statements of Royal Bank of Canada Trust Corporation Limited for the year ended 31 October 2006 which comprise the profit and loss account, statement of total recognized gains and losses, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 11. These financial statements have been prepared under 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

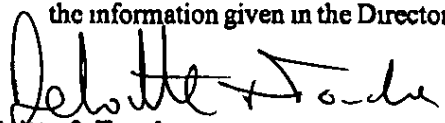
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements


Deloitte & Touche
Chartered Accountants and Registered Auditors
St. Helier, Jersey

16 August 2007

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

Profit and Loss Account

For the year ended 31st October 2006

| | Note | 2006 £'000 | 2005 Restated £'000 |
|---|------|---------------|---------------------------|
| Turnover | 2 | 1,880 | 1,286 |
| Administrative expenses | 4 | (1,209) | (1,036) |
| Profit on ordinary activities before taxation | 5 | 671 | 250 |
| Tax on profit on ordinary activities | 6 | (204) | (79) |
| Profit on ordinary activities after taxation | | <u>467</u> | <u>171</u> |

All transactions are derived from continuing operations

Statement of total recognised gains and losses

| | 2006 £'000 | 2005 Restated £'000 |
|---|---------------|---------------------------|
| Profit for the financial year | 467 | <u>171</u> |
| Prior year adjustment | 3 | 25 |
| Total gains and losses recognised since the last annual report and financial statements | <u>492</u> | |

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDBalance sheetAs at 31st October 2006

| | | 2006 | 2005 |
|--|---|--------------|-------------------|
| | | £'000 | Restated £'000 |
| CURRENT ASSETS | | | |
| Debtors | | | |
| Amounts owed by fellow subsidiaries | | 4,727 | 3,708 |
| Other debtors | 7 | 465 | 505 |
| | | ----- | ----- |
| | | 5,192 | 4,213 |
| | | ----- | ----- |
| CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR | | | |
| Other creditors | 8 | (1,069) | (615) |
| Taxation | | (145) | (87) |
| | | ----- | ----- |
| | | (1,214) | (702) |
| | | ----- | ----- |
| | | 3,978 | 3,511 |
| | | ===== | ===== |
| NET CURRENT ASSETS | | | |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 3,000 | 3,000 |
| Profit and loss account | | 978 | 511 |
| | | ----- | ----- |
| EQUITY SHAREHOLDERS' FUNDS | | <u>3,978</u> | <u>3,511</u> |

The financial statements were approved by the Board of Directors on the
Signed on behalf of the Board

2007


P M Cutts
Director


P Gale
Director

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDReconciliation of Movements in Shareholders' FundsFor the year ended 31st October 2006

| | 2006 | 2005 |
|--|-------|-------------------|
| | £'000 | Restated £'000 |
| Opening shareholders' funds (as previously stated) | 3,511 | 3,323 |
| Prior year adjustment | - | 25 |
| Tax effect of prior year adjustment | - | (8) |
| Opening balance restated | 3,511 | 3,340 |
| Retained profit for the year | 467 | 171 |
| Closing shareholders' funds | 3,978 | 3,511 |

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st October 2006

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

- (a) The financial statements are prepared under the historical cost convention.
- (b) Fees receivable, which represent a return for services provided, are credited to income when the related service is performed.
- (c) Under Financial Reporting Standard 8 Related Party Disclosures the company is exempt from the requirement to disclose related party transactions within the group on the grounds that more than 90% of the voting rights are controlled within the group and the consolidated financial statements of the ultimate parent company are publicly available.

(d) Cash flow statement

The company is ultimately owned by Royal Bank of Canada and is included in the consolidated financial statements of Royal Bank of Canada, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 Cash Flow Statements (revised 1996).

(e) Revenue recognition

In accordance with Application Note G to Financial Reporting Standard No. 5 "Reporting the Substance of Transactions" and UITF 40 "Revenue Recognition and Service Contracts", revenue is recognised at the point in time when the Company has the right to receive payment for its services. Unbilled time is included in accrued income and is stated at the recoverable amount.

2 Turnover

Turnover of the company consists of trustee fees and is wholly derived from business conducted in Europe.

3 Prior year adjustment

During the year, the company adopted UITF abstract 40 ("UITF40"), which came into effect for accounting periods ending on or after 22 June 2005. As a result, the company now reflects unbilled services provided to customers as accrued income which are stated at expected realisable value, where previously this was not valued in the accounts. The prior year comparatives have been restated accordingly.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st October 2006

3 Prior year adjustment cont

The effect of adopting UITF40 is that it gives rise to accrued income reported at the current balance sheet date £151k (2005 £202k) In addition to recognising the impact of unbilled services provided to customers as accrued income, the company has also changed to a policy of recognising the full amount of deferred income on fees billed in advance The effect of adopting this policy is that it gives rise to deferred income at the current balance sheet date of £545k (2005 increase from £35k to £434k) This has had the impact of decreasing the previous year profits by £222k)

4 Remuneration of directors and employees

(a) Directors' emoluments were

| | 2006 | 2005 |
|-----------------------|-------|----------|
| | | Restated |
| | £'000 | £'000 |
| Salaries | 248 | 215 |
| Pension contributions | 18 | 19 |
| | ----- | ----- |
| | 266 | 234 |
| | ===== | ===== |

Two directors are accruing benefits within a defined benefit pension scheme (see note 7) The emoluments of the highest paid director, excluding pension contributions, were £146k (2005 £137k)

The highest paid director is a member of a defined contribution pension scheme The company made contributions to the scheme in respect of the highest paid director of £9k (2005 £10k)

(b) The average number of persons working full time for the company during the period was seven (2005 eight) These employees are remunerated by, and have employment contracts with, a fellow subsidiary company

| | 2006 | 2005 |
|-----------------------|-------|----------|
| | | Restated |
| | £'000 | £'000 |
| Wages and salaries | 422 | 595 |
| Social security costs | 64 | 60 |
| Pension costs | 49 | 57 |
| | ----- | ----- |
| | 535 | 712 |
| | ===== | ===== |

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDNOTES TO THE ACCOUNTSFor the year ended 31st October 20065 Profit on ordinary activities before taxation

This is stated after charging

| | 2006 | 2005 |
|---|-------|----------|
| | | Restated |
| | £000 | £000 |
| Auditors' remuneration for current year | 2 | 2 |
| | ----- | ----- |
| Total Auditors' remuneration | 2 | 2 |
| | ===== | ===== |

6 Tax on profit on ordinary activities

| | 2006 | 2005 |
|--------------------|-------|----------|
| | | Restated |
| | £'000 | £'000 |
| UK corporation tax | 145 | 87 |
| | ===== | ===== |

Tax Reconciliations

| | 2006 | 2005 |
|--|-------|----------|
| | | Restated |
| | £'000 | £'000 |
| Profit on ordinary activities before tax | 671 | 250 |
| Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2005 30%) | 201 | 75 |
| Effects of expenses not deductible for tax purposes | 3 | 4 |
| | ----- | ----- |
| | 204 | 79 |
| | ===== | ===== |

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDNOTES TO THE ACCOUNTSFor the year ended 31st October 2006

| | | | |
|---|---------------------------------------|--------|-------------------|
| 7 | <u>Other debtors</u> | 2006 | 2005 |
| | | £'000 | Restated £'000 |
| | Trade debtors | 307 | 363 |
| | Accrued income | 151 | 202 |
| | Other debtors | 7 | (60) |
| | | ----- | ----- |
| | | 465 | 505 |
| | | ===== | ===== |
| 8 | <u>Other creditors</u> | 2006 | 2005 |
| | | £'000 | Restated £'000 |
| | Deferred income | 545 | 434 |
| | Other creditors | 524 | 181 |
| | | ----- | ----- |
| | | 1,069 | 615 |
| | | ===== | ===== |
| 9 | <u>Called up share capital</u> | 2006 | 2005 |
| | | £'000 | Restated £'000 |
| | Authorised | | |
| | 10,000,000 ordinary shares of £1 each | 10,000 | 10,000 |
| | | ===== | ===== |
| | Allotted, called up and fully paid | | |
| | 3,000,000 ordinary shares of £1 each | 3,000 | 3,000 |
| | | ===== | ===== |

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st October 2006

10 Pension scheme

The company is a participating employer in the RBC (UK) Pension Plan ('the scheme'), a defined benefit pension scheme in which a number of other Royal Bank of Canada group companies also participate. The scheme is closed to new members and therefore, under the projected unit method, the current service cost as a percentage of pensionable salaries will increase as the members of the scheme approach retirement. The RBC (UK) Pension Plan is a funded defined benefit scheme with the assets held in separate trustee administered funds.

It is not possible for the company to identify its share of the underlying assets and liabilities of the scheme and accordingly, under Financial Reporting Standard 17 (FRS 17), contributions to the scheme are accounted for as if they were contributions to a defined contribution scheme.

The total pension cost to the company in relation to the RBC (UK) Pension Plan was £48,517 (2005 £57,830). This cost was assessed in accordance with the advice of a qualified independent actuary using the projected unit method. The most recent formal actuarial valuation was as at 1st April 2003. At that date the market value of the whole UK scheme's assets was £67,108,000 representing 57% of the benefits that had accrued to members. The assumptions most material to the results of that valuation were as follows:

Discount rate 5.5%
Rate of increase in salaries 4.0%
Inflation rate 2.5%

11 Parent companies

The company's ultimate parent company and controlling party is Royal Bank of Canada, incorporated in Canada, which is also the parent undertaking of the largest group which includes the company and for which group accounts are prepared. The parent company of the smallest such group is Royal Bank of Canada Holdings (UK) Limited, a company registered in England and Wales. Copies of the group financial statements of Royal Bank of Canada and Royal Bank of Canada Holdings (UK) Limited are available at 71 Queen Victoria Street, London EC4V 4DE.