

**Company No. 849073**

**ROYAL BANK OF CANADA TRUST CORPORATION LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31st October 2007**

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**ROYAL BANK OF CANADA TRUST CORPORATION LIMITED****REPORT OF THE DIRECTORS****For the year ended 31st October 2007**

The directors present their annual report and the audited financial statements for the year ended 31st October 2007

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 Company provides onshore fiduciary services to private and corporate clients. The client breakdown is principally 20% private clients which would include charitable trusts, FURBS and UK/Swiss Trusts, 65% corporate and property trusts and 15% other. The company has expertise in managing tax neutral property structures as well as the provision of fiduciary services in a non-blacklisted high tax onshore trust jurisdiction. The Company plans to grow both revenue and profitability and will continue to focus on the growth and development of corporate / property connected fiduciary structuring as well as expanding the existing private client strategy

**Results and dividends**

The profit after taxation for the year ended 31st October 2007 was £519k (2006 £467k).

**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; 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 2007**

**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**

The secretary of the company at 31 October 2007 was O Adejumo who has been secretary for the whole of the year then ended.

**Auditors**

Following the transfer of their business to Deloitte & Touche LLP with effect from 1 October 2006, Deloitte & Touche resigned as auditors on 25 September 2007 and their successors, Deloitte & Touche LLP, were appointed as auditors. Deloitte & Touche LLP have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the next annual general meeting.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

REPORT OF THE DIRECTORS (continued)

For the year ended 31st October 2007

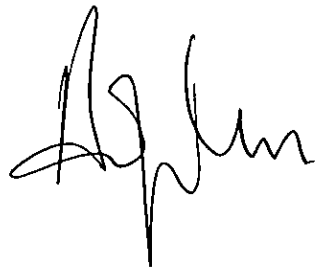
**Auditors (cont)**

Each of the persons who is a director at the date of approval of this report confirms that as far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. This information is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

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

28/02/

2008



O Adejumo  
Secretary  
71 Queen Victoria Street  
London  
England  
EC4V 4DE

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 31st October 2007 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 10. 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 or material inconsistencies with the financial statements.

**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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

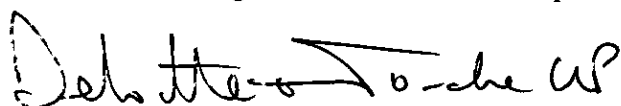
ROYAL BANK OF CANADA TRUST CORPORATION LIMITED (cont)

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 2007 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 LLP**

Chartered Accountants and Registered Auditors

St Helier, Jersey

4 March 2008

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDProfit and Loss AccountFor the year ended 31st October 2007

	Note	2007 £'000	2006 £'000
Turnover	2	1,775	1,880
Administrative expenses		(1,029)	(1,209)
Profit on ordinary activities before taxation	4	746	671
Tax on profit on ordinary activities	5	(227)	(204)
Profit on ordinary activities after taxation		519	467

All activities derive from continuing operations

There are no other movements in shareholders' funds for the current or prior financial year other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses has been prepared

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDBalance sheetAs at 31st October 2007

	Note	2007 £'000	2006 £'000
<b>CURRENT ASSETS</b>			
Debtors			
Amounts owed by fellow subsidiaries		5,650	4,727
Other debtors	6	475	465
		-----	-----
		6,125	5,192
		-----	-----
<b>CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Other creditors	7	(1,367)	(1,069)
Taxation		(261)	(145)
		-----	-----
		(1,628)	(1,214)
		-----	-----
		4,497	3,978
		=====	=====
<b>NET CURRENT ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	3,000	3,000
Profit and loss account		1,497	978
		-----	-----
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<b>4,497</b>	<b>3,978</b>
		=====	=====

The financial statements were approved by the Board of Directors on the 29 February 2008  
Signed on behalf of the Board.

  
G Huelin  
Director

  
P Gale  
Director



ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDReconciliation of Movements in Shareholders' FundsFor the year ended 31st October 2007

	2007 £'000	2006 £'000
Opening balance	3,978	3,511
Retained profit for the year	519	467
Closing shareholders' funds	<u>4,497</u>	<u>3,978</u>

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st October 2007

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 Financial Reporting Standard 1 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. Fees billed in advance are included in accruals and deferred income.

f) Current tax

Current tax, including UK corporation tax, is provided at amounts expected to be recovered (or paid) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Turnover

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

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDNOTES TO THE ACCOUNTSFor the year ended 31st October 20073. Remuneration of directors and employees

## (a) Directors' emoluments were

	2007	2006
	£'000	£'000
Salaries	259	248
Pension contributions	23	18
	-----	-----
	282	266
	=====	=====

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 £159k (2006 £146k)

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 £14k (2006 £9k).

- (b) The average number of persons working full time for the company during the year was six (2006. seven). These employees are remunerated by, and have employment contracts with, a fellow subsidiary company.

	2007	2006
	£'000	£'000
Wages and salaries	363	422
Social security costs	44	64
Pension costs	47	49
Other costs	18	25
	-----	-----
	472	560
	=====	=====

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDNOTES TO THE ACCOUNTSFor the year ended 31st October 20074 Profit on ordinary activities before taxation

This is stated after charging

	2007	2006
	£'000	£'000
Auditors' remuneration for current year	2	2
	-----	-----
Total Auditors' remuneration	2	2
	=====	=====

5. Tax on profit on ordinary activities

	2007	2006
	£'000	£'000
UK corporation tax	227	145
	=====	=====

Tax Reconciliations

	2007	2006
	£'000	£'000
Profit on ordinary activities before tax	746	671
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 30%)	224	201
Effects of expenses not deductible for tax purposes	3	3
	-----	-----
	227	204
	=====	=====

ROYAL BANK OF CANADA TRUST CORPORATION LIMITEDNOTES TO THE ACCOUNTSFor the year ended 31st October 20076. Other debtors

	2007	2006
	£'000	£'000
Trade debtors	277	307
Accrued income	127	151
Other debtors	71	7
	-----	-----
	475	465
	=====	=====

7. Other creditors

	2007	2006
	£'000	£'000
Deferred income	804	545
Bank overdraft	313	-
Other creditors	250	524
	-----	-----
	1,367	1,069
	=====	=====

8. Called up share capital

	2007	2006
	£'000	£'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 2007

9 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 £57,638 (2006 £48,517). 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%

10 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.