

Company No. 849073

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

Report and Financial Statements

31 October 2011



ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 October 2011. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The profit after taxation for the year ended 31 October 2011 was £694,889 (2010 £379,515). No dividend was paid during the year (2010 £Nil).

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company continues to report a profit, and increased the level of profitability when compared to the prior year, combining increased revenues with reduced costs. The increase in revenue has been achieved as a result of a targeted Business Development effort in the markets with which the company is aligned. New clients have been added during the year with more currently in funnel with varying degrees of completion of the take-on process. The main risk the company faces in terms of profitability is a decrease in levels of business and pricing which could occur under worsening economic conditions. In the short term this risk is mitigated by fixed price agreements with a significant proportion of clients having fixed fee terms for up to 5 years.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and 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 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 company and of the profit or loss of the company 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

DIRECTORS' REPORT – continued

DIRECTORS

The following served as directors during the whole year

M Clatworthy
P Egan
B Gowdy
R H Wilson
R I Wyatt

The company is an indirect wholly owned subsidiary of Royal Bank of Canada (U K) Limited. None of the directors has any interest in the shares of the company or any other group company that are required to be disclosed in accordance with the Companies Act 2006

GOING CONCERN

The company has reported an increased operating profit for the year despite the challenging economic environment which the directors believe will continue for some time. The directors believe the company has a sound funding and liquidity position and adequate capital resources. As a consequence, the directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Therefore, the directors have a reasonable expectation, based on a review of budgets and expected cashflows that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

SECRETARY

O Adejumo served as secretary throughout the year

AUDITOR

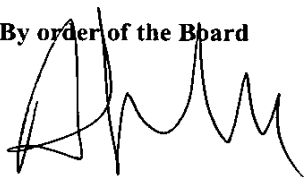
Deloitte LLP have expressed their willingness to continue in office

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 auditor is 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 auditor is aware of that information

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

By order of the Board



Authorised Signatory
O Adejumo
Secretary

Registered Office
Riverbank House
2 Swan Lane
London
England
EC4R 3BF

INDEPENDENT AUDITOR'S 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 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholder's Funds and the related notes 1 to 10. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 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 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any 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 company's affairs as at 31 October 2011 and of its 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.

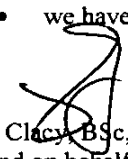
Opinion on other matter prescribed by the Companies Act 2006

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.


John Clacy BSc, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Helier, Jersey
Date

7 February 2012

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 October 2011

		2011 £'000	2010 £'000
	Notes		
Turnover	2	1,852	1,553
Administrative expenses		(919)	(1,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>933</u>	<u>553</u>
Tax on profit on ordinary activities	5	(238)	(173)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>695</u></u>	<u><u>380</u></u>

All activities derive from continuing operations

There are no other movements in equity shareholder's 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.

The notes on pages 7 to 10 inclusive form part of these financial statements

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

BALANCE SHEET As at 31 October 2011

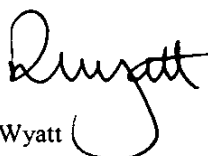
	Notes	2011 £'000	2010 £'000
CURRENT ASSETS			
Cash at bank		6,056	5,314
Debtors	6	639	580
		<u>6,695</u>	<u>5,894</u>
CREDITORS:			
Amounts falling due within one year			
Other creditors	7	(1,084)	(951)
Taxation		(128)	(155)
		<u>(1,212)</u>	<u>(1,106)</u>
NET CURRENT ASSETS		<u>5,483</u>	<u>4,788</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,483</u>	<u>4,788</u>
CAPITAL AND RESERVES			
Share capital	8	3,000	3,000
Profit and loss account		2,483	1,788
		<u>5,483</u>	<u>4,788</u>
EQUITY SHAREHOLDER'S FUNDS		<u>5,483</u>	<u>4,788</u>

The financial statements were approved and authorised for issue by the Board of Directors on 7 February 2012

Signed on behalf of the Board of Directors



P Egan
Director



R I Wyatt
Director

Company number 849073

The notes on pages 7 to 10 inclusive form part of these financial statements

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS **Year ended 31 October 2011**

	2011 £'000	2010 £'000
Opening equity shareholder's funds	4,788	4,408
Total recognised gains and losses for the year	695	380
Closing equity shareholder's funds	<u>5,483</u>	<u>4,788</u>

The notes on pages 7 to 10 inclusive form part of these financial statements

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 October 2011

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared in pounds sterling under the historical cost convention.

Related party transactions

Under the revised Reporting Standard No. 8 "Related Party Disclosures" the company is exempt from the requirement to disclose related party transactions within the group that are eliminated on consolidation provided that all the subsidiaries which are party to the transaction are wholly owned and the consolidated financial statements of the ultimate parent company are publicly available.

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 exemption available in Financial Reporting Standard No. 1 "Cash Flow Statements (revised 1996)".

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 amounts recoverable from customers and is stated at the recoverable amount. Fees billed in advance are included in deferred income. Due to the unpredictable nature of the income stream, oil royalties are accounted for when received.

Current tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) 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 net of discount, VAT or other sales related taxes and is wholly derived from business conducted in Europe. The company also receives royalties in respect of an historic arrangement relating to the financing of a North Sea oil enterprise.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 October 2011

3. REMUNERATION OF DIRECTORS AND EMPLOYEES

Directors' emoluments were

	2011 £'000	2010 £'000
Emoluments	252	183
Pension contributions	22	16
	<u>274</u>	<u>199</u>

The average number of persons working full time for the company during the year was eight (2010 seven)
These employees are remunerated by, and have employment contracts with a fellow subsidiary company

	2011 £'000	2010 £'000
Wages and salaries	646	556
Social security costs	81	62
Pension costs	87	73
	<u>814</u>	<u>691</u>

Included within wages and salaries above are amounts paid out during the year in respect of the Performance
Deferred Share Unit Programme

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging

	2011 £'000	2010 £'000
Auditor's remuneration	<u>7</u>	<u>7</u>

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 October 2011

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
UK Corporation tax	256	155
Adjustments in respect of prior periods UK Corporation tax	(18)	18
Total current tax charge	<u>238</u>	<u>173</u>

The company is subject to UK Corporation Tax at 28% for the financial year 2010 and 26% for the financial year 2011

Tax Reconciliation

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	933	553
Tax on profit on ordinary activities at standard UK corporation tax rate of 26% (2010 28%)	243	155
Adjustments to tax charge in respect of prior periods	(18)	18
Impact of change in rate of UK corporation tax	13	-
	<u>238</u>	<u>173</u>

6. DEBTORS

	2011 £'000	2010 £'000
Trade debtors	382	331
Other debtors	80	66
Amounts recoverable from customers	177	183
	<u>639</u>	<u>580</u>

7. OTHER CREDITORS

	2011 £'000	2010 £'000
Other creditors	353	306
Deferred income	603	645
Amounts owed to group companies	128	-
	<u>1,084</u>	<u>951</u>

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 October 2011

8. SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted, called up and fully paid 3,000,000 ordinary voting shares of £1 each	3,000	3,000

In accordance with Companies Act 2006, the members of the company passed a special resolution on 28 March 2011 to adopt new Articles of Association. Consequently, this removed the restrictive clause with regards to authorised share capital, and subject to articles, the directors have unrestricted authority to issue shares without member authorisation (2010 authorised share capital £10,000,000)

9. PENSION SCHEME

The company is a participating employer in the RBC (UK) Pension Plan ('the scheme'), a defined benefit pension scheme which has Royal Bank of Canada as the principal employer and 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 No 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 £37k (2010 £34k). 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 1 April 2011 and indicated that the market value of the scheme's assets was £227.2 million and that the scheme was 99% funded with a deficit of £1.7m. 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 3.5%

Subsequent to that valuation a further contribution of £3m was made to the scheme by the principal employer.

10. PARENT COMPANY AND ULTIMATE CONTROLLING ENTITY

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 financial statements are prepared. The parent company of the smallest group for which consolidated financial statements are prepared is Royal Bank of Canada Holdings (U.K.) 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 (U.K.) Limited are available at Riverbank House, 2 Swan Lane, London EC4R 3BF.