

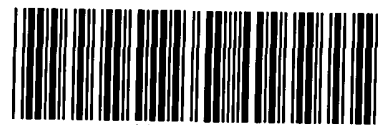
Company number: 00849073

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 OCTOBER 2017

THURSDAY



A74OZJAA

A11

26/04/2018

#141

COMPANIES HOUSE

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS 31 OCTOBER 2017

CONTENTS	Page
Officers and professional advisers	2
Directors' report	3
Directors' responsibilities statement	5
<i>Independent auditor's report</i>	6
Statement of financial position	8
Statement of comprehensive income	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Clatworthy
T Fletcher
A Perrotin

SECRETARY

C Birks

REGISTERED OFFICE

Riverbank House
2 Swan Lane
London
England
EC4R 3BF

INDEPENDENT AUDITOR

PricewaterhouseCoopers CI LLP
37 Esplanade
St Helier, Jersey
JE1 4XA
Channel Islands

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Royal Bank of Canada Trust Corporation Limited ("the Company") for the year ended 31 October 2017. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the medium companies' exemption.

INCORPORATION

The Company is incorporated in London, United Kingdom.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of Trustee and Trust Administration Services.

RESULTS

The results of the Company are shown in the Statement of Comprehensive Income on page 9.

ACCOUNTING STANDARDS

The financial statements are prepared in accordance with all International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB), adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC) and as per the requirements of the Companies Act 2006 as applicable to companies using IFRS and in effect as issued and in effect as at 31 October 2017.

GOING CONCERN

As noted below, the majority of the existing trust clients were transferred out of the Company during the 2016 financial year. However, the Company still have a number of clients with long term commitments which will run until at least 2020. Consequently the directors consider the Company to be going concern at the present time and have continued to adopt the going concern basis in preparing the annual report and financial statements.

DIVIDEND

No dividend was paid or proposed during the year ended 31 October 2017 (2016: £Nil).

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Company reported a profit for the year.

Following a strategic review during the 2015 financial year a decision was taken to review the services being provided to existing trust clients. As a result of that review a process of transferring out most of the existing trust clients commenced in October 2015 and was completed during 2016.

NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Company makes use of financial instruments in the conduct of its business. The Company's principal risks and uncertainties and financial risk management objectives and policies are discussed in Note 13 of the audited financial statements.

DIRECTORS

The present directors are shown on page 2 and have all served throughout the year and subsequently, except as noted below:

K D Stokes	(resigned 26 April 2017)
H V Kierulf	(resigned 5 June 2017)

The Company is an indirect wholly owned subsidiary of Royal Bank of Canada. None of the directors have any disclosable interests 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 present secretary is shown on page 2 and has served throughout the year and subsequently.

THIRD PARTY INDEMNITIES

During the financial year the Company's directors benefited from qualifying third party indemnities granted by the Company's ultimate parent, Royal Bank of Canada, indemnifying the directors against liabilities and associated costs, which they could incur in the course of their duties to the Company. The indemnities remain in force as at the date of the financial statements. A copy of each of the indemnities is kept at the registered office of the Company.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

DIRECTORS' REPORT – CONTINUED

INDEPENDENT AUDITOR

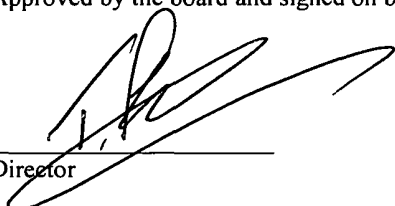
PricewaterhouseCoopers CI LLP have expressed their willingness to continue in office

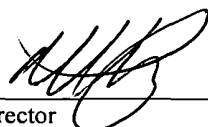
Each of the persons who is a director at the date of approval of this report confirms that:

- as far as they are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Approved by the board and signed on behalf of the Board:



Director

Director

15 December 2017

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

The Companies Act 2006 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 International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Independent auditors' report to the members of Royal Bank of Canada Trust Corporation Limited

Report on the financial statements

Our opinion

In our opinion, Royal Bank of Canada Trust Corporation Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 October 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 31 October 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditor's report to the members of Royal Bank of Canada Trust Corporation Limited (the "Company")

Report on the audit of the financial statements

Opinion

In our opinion, Royal Bank of Canada Trust Corporation Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 October 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise; the Statement of financial position as at 31 October 2017; the Statement of comprehensive income, the Statement of cash flows and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and with SEC Independence Rules, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 October 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Royal Bank of Canada Trust Corporation Limited (the "Company")

(continued)

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Karl Hairon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey, Channel Islands
15 December 2017

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER

(Thousands of British Pounds)	Notes	2017	2016
Current assets			
Cash and cash equivalents	7	6,131	6,165
Trade and other receivables	8	123	137
Amounts due from related parties	12	-	10
Total assets		6,254	6,312
Current liabilities			
Trade and other payables	9	30	40
Amounts due to related parties	12	2	30
Total current liabilities		32	70
Non-current liabilities			
Trade and other payables	9	-	23
Total liabilities		32	93
Equity			
Share capital	10	3,000	3,000
Retained earnings		3,222	3,219
Total equity attributable to shareholders		6,222	6,219
Total liabilities and equity		6,254	6,312

The accompanying notes on pages 12 to 25 form an integral part of these financial statements.

Approved by the Board of Directors on 15 December 2017

Signed on behalf of the Board


Director


Director

Company number: 00849073

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 OCTOBER**

(Thousands of British Pounds)	Notes	2017	2016
Income			
Trust and other fees		5	140
Income from related parties	12	59	75
Other income		68	2
Total revenue		132	217
Expenses			
Human resources	4	40	53
Intergroup recharges	12	18	98
Other expenses		74	24
Total expenses		132	175
Income before income taxes	5	-	42
Income taxes	6	3	(24)
Total comprehensive income for the year		3	18
Total comprehensive income attributable to:			
Shareholders		3	18

The above results are derived from continuing operations in the current and preceding year. There are no items of other comprehensive income in the current or preceding years.

The accompanying notes on pages 12 to 25 form an integral part of these financial statements.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER

(Thousands of British Pounds)	Share capital	Retained earnings	Total
Balance at 1 November 2015	3,000	3,201	6,201
Total comprehensive income for the year	-	18	18
Balance at 31 October 2016	3,000	3,219	6,219
Total comprehensive income for the year	-	3	3
Balance at 31 October 2017	3,000	3,222	6,222

The accompanying notes on pages 12 to 25 form an integral part of these financial statements.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER

(Thousands of British Pounds)	Notes	2017	2016
Cash Flows From Operating Activities			
Income before income taxes		-	42
Adjustments for non-cash items and others:			
Interest received		(59)	(75)
		(59)	(33)
Changes in operating assets and liabilities			
Trade and other receivables	8	14	226
Amounts due from related parties	12	10	6
Amounts due to related parties	12	(28)	5
Trade and other payables	9	(33)	(720)
		(96)	(516)
Income taxes received		3	58
Net cash (used in) operating activities		(93)	(458)
Cash flow from investing activities			
Interest received		59	75
Net cash from investing activities		59	75
Net change in cash and cash equivalents		(34)	(383)
Cash and cash equivalents at the beginning of year		6,165	6,548
Cash and cash equivalents at end of year		6,131	6,165

The accompanying notes on pages 12 to 25 form an integral part of these financial statements.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

1. GENERAL INFORMATION

Royal Bank of Canada Trust Corporation is a limited liability company incorporated in England on 14 May 1965. The Company is domiciled in the UK. The address of the registered office is Riverbank House, 2 Swan Lane, London, England EC4R 3BF. The principal activity of the Company is Trustee and Trust Administration services.

The financial statements are prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards ("IFRS") as issued and in effect as at 31 October 2017 by the International Accounting Standards Board ("IASB") and as adopted by the European Union.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates, with the exception of Note 12 where disclosure relating to key management personnel and directors is in Canadian dollars, as indicated, this being the functional currency of the parent bank, Royal Bank of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

i) Statement of compliance

The financial statements have been prepared in accordance with IFRS as issued by the IASB.

ii) Historical cost convention

The financial statements have been prepared under the historical cost basis. The particular policies adopted by the directors are described below. These policies have been consistently applied to all years presented, unless otherwise stated.

(b) Going concern

The directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(c) Use of estimates and assumptions

In preparing the financial statements, management is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable. Key sources of estimation uncertainty include: recoverability of trade receivables, valuation of pensions and other post-employment benefits, and income taxes. Accordingly, actual results may differ from these and other estimates thereby impacting the Company's future financial statements.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(d) Significant accounting judgements

In the preparation of these financial statements, management is required to make significant judgements that affect the carrying amounts of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the year. Significant judgements have been made in the following areas:

(i) Recoverability of trade receivables

Trade and other receivables are assessed for impairment having regard to a number of factors including the overall quality and ageing of the receivables and the historic experience of the collectability of the debt. Judgement is required when determining whether or not a provision is required in respect of trade and other receivables. There were £70,000 (2016: £79,000) of provisions in relation to Trust debtors.

(ii) Income tax

The tax laws in the jurisdictions in which the Company operates are potentially subject to different interpretations by the Company and the relevant taxation authority. Significant judgement is required in the interpretation of the relevant tax laws and in estimating the provision for current and deferred income taxes due to uncertainty in timing and amount of taxable income and in the design and ability to implement tax planning strategies.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the Statement of Financial Position date. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited in comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

(iii) Pension obligations

The Company is a participating employer in a defined benefit pension plan (the "Plan") which has Royal Bank of Canada as the principal employer and in which a number of Royal Bank of Canada group companies also participate. It is not possible for the Company to identify its share of the underlying assets and liabilities of the Plan and accordingly management has made the judgement to account for contributions to the Plan as if they were contributions to a defined contribution plan.

(e) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured at historical cost are translated into sterling at historical rates.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(f) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by change in deferred tax assets and liabilities attributable to temporary differences to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted by the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined based on tax rates and tax laws that have been enacted or substantively enacted at the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investment in foreign operation where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Tax and deferred tax is recognised in profit or loss, except that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Revenue recognition

Income from Trust and Company Administration activities is accounted for on an accruals basis. Revenue is recognised on an accruals basis. Revenue is recognised at the point in time when the Group has the right to receive payment for its services. Unbilled time is included in accrued income as is stated at the recoverable amount.

(h) Expense recognition

Expenses are accounted for on an accruals basis and are recorded in the financial states of the period to which they relate.

(i) Cash and cash equivalents

Cash and cash equivalents comprise demand deposits that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Trade and other receivables

Trade receivables are initially recognised at fair value. Trade receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment

(j) Trade and other payables

Trade payables are initially recognised at the invoice amount and subsequently measured at amortised cost.

(k) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(l) Fiduciary assets and liabilities

Fiduciary assets and liabilities under administration are accounted for separately from the Company's assets as the Company has no beneficial entitlement thereto and are excluded from these financial statements.

(m) Pension Costs

The Company operated both defined contribution and defined benefit pension plans. Company contributions to the defined contribution plan were charged to the Statement of Comprehensive Income within Human resources.

The Company is also a participating employer in the RBC (UK) Pension Plan ("the Plan"), a defined benefit pension plan 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 Plan is closed to new members and therefore, under the projected unit method, the current service cost as percentage of pensionable salaries will increase as the members of the Plan approach retirement. The RBC (UK) Pension Plan is a funded defined benefit plan with the assets held in separate trustee-administered funds. The trustees are (RBC Pension Trustees Limited). It is not possible for the Company to identify its share of the underlying assets and liabilities of the Plan and accordingly, as permitted under IAS 19, contributions to the Plan are accounted for as if they were contributions to a defined contribution plan.

(n) Standard in issue but not yet effective

There are a number of standards in issue not yet effective which the directors have assessed and deemed do not apply to the Company. Management is currently assessing the impact of adopting the standards listed below on the financial statements:

IFRS 15 Revenue from Contracts with Customers (IFRS 15)

In May 2014, the IASB issued IFRS 15 which establishes principles for reporting about the nature, amount timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard provides a single, principles based five-step model for revenue recognition to be applied to contracts with customers except for revenue arising from items such as financial instruments, insurance contracts and leases. Accordingly, the majority of the revenue is not expected to be impacted. In April 2016, the IASB issued amendments to IFRS 15, which clarify the underlying principles of IFRS 15 and provide additional transitional relief on initial application. IFRS 15 and its amendments will be effective for the Company on 1 November 2018.

IFRS 9 Financial Instruments ("IFRS 9")

In July 2014, the IASB issued the complete version of IFRS 9, first issued in November 2009, which brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 introduces a principles-based approach to the classification of financial assets based on an entity's business model and the nature of the cash flows of the asset. All financial assets, including hybrid contracts, are measured at fair value through the Profit and Loss ("FVTPL"), fair value through other comprehensive income or amortised cost. For financial liabilities, IFRS 9 includes the requirements for classification and measurement of financial liabilities previously included in IAS 39. IFRS 9 also introduces an expected loss impairment model for all financial assets not as at FVTPL and a new hedge accounting model that aligns the accounting hedge relationships more closely with an entity's risk management activities. The Company's implementation of IFRS 9 is part of a comprehensive enterprise-wide program led by RBC. The initial focus of the enterprise-wide program was the design and implementation of systems, models, policies and controls to support RBC's consolidated financial statements. While significant efforts have been undertaken at the subsidiary level, work is still ongoing to refine the enterprise-wide approach for the unique portfolio and environmental attributes of each individual subsidiary of RBC, including key areas of judgment such as the determination of significant increases in credit risk and the application of forward looking macroeconomic scenarios. Accordingly, the directors are not yet in a position to make a reliable estimate of the expected impact of the adoption of IFRS 9 on the financial statements of the Company. IFRS 9 will be effective for the Company no later than 1 November 2017.

IAS 7 Statement of Cash Flows ("IAS 7")

In January 2016, the IASB issued amendments to IAS 7, which will require specific disclosures for movements in certain liabilities on the statement of cash flow and the Company is required to adopt these disclosures in the 2018 financial statements.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

3. FEES AND OTHER INCOME

Turnover of the Company consists of trustee fees net of discount VAT or other rates taxes and is wholly derived from business conducted in Europe as well as Oil royalty income. Oil royalty is income generated from a historic arrangement relating to the financing of a North Sea oil enterprise.

4. HUMAN RESOURCES

For the year ended 31 October

(Thousands of British Pounds)	2017	2016
Salaries and Bonuses	-	10
Short-term employee benefits	1	2
Retirement benefits	32	35
Share-based compensation expense	7	1
Severance costs	-	5
	40	53

The Company had no employees during the year. During the prior year the average number of persons working full time was 1. These employees were remunerated by, and had employment contracts with, a fellow subsidiary company. All of the employees operated in Trustee and Administration or related activities.

Defined contribution plan

The Company participates in a defined contribution retirement benefit scheme for current employees. The Plan is a money purchase pension scheme where a defined contribution is payable by the Company on behalf of eligible employees. Pension costs in respect of contributions payable are charged to the Statement of Comprehensive Income within Human resources. The cost to the Company in the year to 31 October 2017 was £3k (2016: £3k). As at 31 October 2017 outstanding contributions amounted to £Nil (2016: £Nil).

Defined benefit plan

The Company is a participating employer in the RBC (UK) Pension Plan ('the Plan'), a defined benefit pension scheme for which the Principal Employer is the Royal Bank of Canada. The pension scheme is administered by separate trustees that are legally segregated from the Company. The pension arrangements including investment, plan benefits and funding decisions are governed by the trustees. Significant plan changes require the approval of the Board of Directors.

The Plan provides pension benefits based on years of service, contributions and average earnings over three years at leaving. The Plan has been closed to new members since 2001 and closed to future accrual from 2015. New employees are generally eligible to join the defined contribution pension plan.

The allocation, and reallocation, of the Plan's assets, liabilities, costs and cash flows to the Company is based on the results of a valuation of the Plan, and the identification of each Plan member's current, or last 'employer'.

For the year ended 31 October 2017, total contributions by the Company to the Plan was £32k (2016: £32k). It is not possible for the Company to identify its share of the underlying assets and liabilities of the Plan and accordingly, as permitted under IAS 19, contributions to the Plan are accounted for as if they were contributions to a defined contribution plan. As at 31 October 2017 outstanding contributions to the Plan amounted to £Nil (2016: £Nil).

By the design, the Plan exposes the Company to various risks such as investment performance, reductions in discount rates used to value the obligations, increased longevity of plan members and future inflation levels impacting future salary increases. By closing membership in the defined benefit pension scheme and migrating to defined contribution plans, the volatility associated with the aforementioned risks will reduce over time.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

4. HUMAN RESOURCES – CONTINUED

Share-based Compensation

The Company offers performance deferred share award plans to certain former key employees, all of which vest at the end of three years. The plans are settled in cash. The value of the award paid will be equivalent to the original award adjusted for dividends and changes in the market value of common shares at the time the award vests. The value of the award liability as at 31 October 2017 was £25k (31 October 2016: £44k). The compensation expense recorded for the year ended 31 October 2017, in respect of these plans was £7k (2016:£1k).

The compensation expenses for all of the above plans are recorded in Human Resources in the Statement of Comprehensive Income.

5. INCOME BEFORE INCOME TAXES

For the year ended 31 October

(Thousands of British Pounds)

	2017	2016
This is stated after charging		
Auditor's remuneration	7	6

The auditor's remuneration noted above was solely incurred for auditing the financial statements.

6. INCOME TAXES

The Company is subject to UK Corporation Tax at an effective rate of 19.4% for the financial year 2017 and 20.4% for the financial year 2016.

For the year ended 31 October

(Thousands of British Pounds)

	2017	2016
Current tax		
Adjustments in respect of prior year	(3)	-
	(3)	-
Deferred tax		
Origination and reversal of timing differences	-	20
Losses available for future use	-	4
Total tax on income	(3)	24

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

6. INCOME TAX CHARGE – CONTINUED

Reconciliation

The difference between the total tax shown above and the amount calculated by applying the standard rate of tax to the Company income before tax is as follows:

For the year ended 31 October		
(Thousands of British Pounds)	2017	2016
Income before income taxes	-	42
Income tax at standard UK corporation rate of 19.41% (2016: 20.4%)	-	9
<i>Effects of</i>		
Adjustments to tax charge in respect of prior periods	(3)	3
Other timing differences	-	(11)
Origination and reversal of timing differences	-	21
Amounts not deductible for tax purposes	-	2
Total tax (credit)/charge for the year	(3)	24

Deferred tax

(Thousands of British Pounds)	Tax losses	Employee benefits	Total
At 1 November 2015	47	35	82
Prior year adjustment	14	(14)	-
Charged to group companies	(58)	-	(58)
Charged to profit or loss	(3)	(21)	(24)
At 31 October 2016	-	-	-
At 31 October 2017	-	-	-

During the prior year the tax asset arising from losses was largely recovered from related parties under group relief arrangements, in addition the deferred tax asset previously arising on deferred compensation arrangements was fully written back.

7. CASH AND CASH EQUIVALENTS

As at 31 October		
(Thousands of British Pounds)	2017	2016
Cash and cash equivalents with related parties	6,131	6,165
	6,131	6,165

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

8. TRADE AND OTHER RECEIVABLES

As at 31 October

(Thousands of British Pounds)	2017	2016
Trade receivables	70	204
Escrow account	120	-
Allowance for doubtful debts	(70)	(79)
Other assets	3	12
	123	137
Reconciliation of movement in provision for doubtful debts		
At beginning of year	79	139
Additional provisions made during the year	6	97
Amounts used during the year	-	(48)
Unused amounts reversed during the year	(15)	(20)
Debtor provisions transferred out	-	(89)
At end of year	70	79

The directors are of the opinion that the carrying value of the trade and other receivables equates to their fair value.

9. TRADE AND OTHER PAYABLES

As at 31 October

(Thousands of British Pounds)	2017	2016
Current liabilities		
Other payables	4	19
Share-based compensation	26	21
	30	40
Non- current liabilities		
Share-based compensation	-	23

10. SHARE CAPITAL

As at 31 October

(Thousands of British Pounds)	2017	2016
Authorised share capital		
An unlimited number of ordinary shares of £1 each may be issued	-	-
Issued, allotted and fully paid:		
3,000,000 (2016: 3,000,000) ordinary shares of £1 each	3,000	3,000

Each share carries the right of one vote per share.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

11. DIRECTORS REMUNERATION

Compensation of directors paid by the Company

For the year ended 31 October

(Thousands of British Pounds)	2017	2016
Emoluments	-	8
Pension contributions - Money purchase schemes	-	1
	-	9

In the current year none of the directors were remunerated by the Company. In the prior year the remuneration of the highest paid director amounted to £7,826. No compensation for loss of office was paid to any of the former directors.

12. RELATED PARTY TRANSACTIONS

Related parties

Related parties include the parent bank, Royal Bank of Canada ("RBC"), affiliated companies, post-employment benefit plans for the benefit of the Group's employees, key management personnel ("KMP"), the Board of Directors of RBC ("Directors"), close family members of key management personnel and Directors, and entities which are, directly or indirectly, controlled by, jointly controlled by or significantly influenced by KMP, Directors or their close family members.

Key management personnel and Directors

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of RBC and its subsidiaries, directly or indirectly. They include the senior executives of RBC called the Group Executive ("GE"). The GE is comprised of the president and Chief Executive Officer and those individuals that report directly to him, including the Chief Administrative Officer and Chief Financial Officer, Chief Human Resource Officer, the Chief Risk Officer, and heads of RBC's business units. The GE is ultimately responsible for all material decisions of RBC. The GE is also responsible for establishing the overall strategic direction of the RBC group and, in that regard, sets global parameters for the RBC group within which the board of directors and management of each subsidiary in the RBC group exercise their respective discretion to make decisions concerning the strategic direction and day-to-day management of the particular subsidiary. The Directors of RBC do not plan, direct, or control the day-to-day activities of RBC; they oversee the management of the business and provide stewardship.

Compensation of key management personnel and Directors

The following tables present the compensation paid, shareholdings and options held by key management personnel and Directors.

For the year ended 31 October ⁽¹⁾

(CAD million)	2017	2016
Salaries and other short-term employee benefits ⁽²⁾	33	21
Post-employment benefits ⁽³⁾	2	2
Share based payments	37	37
	72	60

(1) KMP and RBC Directors received their remuneration from RBC. No direct compensation is charged to the subsidiary by RBC in respect of the services provided.

(2) Includes the portion of the annual variable short-term incentive bonus that certain executives elected to receive in the form of deferred share units. RBC Directors receive retainers but do not receive salaries and other short-term employee benefits.

(3) RBC Directors do not receive post-employment benefits.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

12. RELATED PARTY TRANSACTIONS - CONTINUED

Stock options, stock awards and shares held by key management personnel, Directors and their close family members

As at 31 October

	2017		2016	
	No. of units held	Value CAD million	No. of units held	Value CAD million
Stock options ⁽¹⁾	2,174,841	60	2,110,038	42
Other non-option stock based awards ⁽¹⁾	1,371,104	138	1,703,221	143
RBC common shares	632,631	64	789,295	66
	4,178,576	262	4,602,554	251

(1) RBC Directors do not receive stock options or any other non-option stock based awards.

Transactions, arrangements and agreements involving key management personnel, Directors and their close family members

In the normal course of business, RBC provides certain banking services to key management personnel, Directors, and their close family members. These transactions were made on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing and did not involve more than the normal risk of repayment or present other unfavourable features.

As at 31 October 2017 total loans to KMP, RBC Directors and their close family members were \$10 million (31 October 2016 - \$10 million). RBC has no allowance or provision for credit losses relating to these loans as at and for the year ended 31 October 2017. No guarantees, pledges or commitments have been given to KMP, RBC Directors or their close family members.

Immediate and ultimate controlling party

The Company's immediate parent is Royal Bank of Canada Holdings (U.K.) Limited, a company registered in England and Wales.

The Company's ultimate controlling party is Royal Bank of Canada, a company incorporated in Canada, which is also the parent company of the smallest and largest group which includes the Company and for which group financial statements are prepared.

The consolidated financial statements of the ultimate parent company can be obtained from the company's offices at:

Royal Bank of Canada
PO Box 1
Royal Bank Plaza
Toronto, Ontario
Canada,
M5J 2J5
Website: rbc.com

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

12. RELATED PARTY TRANSACTIONS - CONTINUED

Affiliates

In the normal course of business, the Company enters into transactions with affiliates. Affiliates include direct and indirect subsidiaries of the parent bank, RBC.

Balances with related parties

As at 31 October

(Thousands of British Pounds)	2017	2016
Analysis of cash and cash equivalents with related parties		
RBC Affiliates – Cash and cash equivalents	6,131	6,165
	6,131	6,165
Amounts due to related parties		
RBC Affiliates – Other payables	2	30
	2	30
Amounts due from related parties		
RBC Affiliates – Other receivables	-	10
	-	10

Transactions with related parties

For the year ended 31 October

(Thousands of British Pounds)	2017	2016
Transactions with related parties:		
Income		
RBC Affiliates – Interest income	59	75
	59	75
Expenses		
RBC Affiliates – Cost sharing charges	18	98
	18	98

Details of transactions with post-employment benefit plans are given in note 4.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

13. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Overview

The board of directors ("the Board") has overall responsibility for the establishment and ongoing management of the risk management framework and monitoring of the implementation and operation of the Board's policies are handled by the Wealth Management International (the "WMI") Operating Committee which has the representation of all the business lines and functional areas of the Company.

The WMI Operating Committee then delegates the monitoring of risk to the Wealth Management Risk Committee which oversees how the Company monitors compliance with risk management policies and procedures, whilst reviewing the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its management standards, procedures, and training of employees aims to develop a disciplined and constructive control environment in which all employees are involved and understand their roles and obligations.

The Company does not enter into hedging instruments because there is not a material exposure to hedge, nor does the Company enter into speculative financial instruments.

Summary of financial assets and liabilities by category

As at 31 October

(Thousands of British Pounds)	2017	2016
Financial assets		
Cash and cash equivalents	6,131	6,165
Trade and other receivables	123	137
Amounts due from related parties	-	10
	6,254	6,312
Financial liabilities		
Trade and other payables	30	63
Amounts due to related parties	2	30
	32	93

Management is of the opinion that the fair value of financial assets and financial liabilities does not differ from the carrying value.

The Company is an indirect wholly owned subsidiary of RBC. In general Credit risk, Currency risk, Market risk and Liquidity risk are managed as part of the overall RBC risk management practices

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

13. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS - CONTINUED

The following is a description of credit risk, market risk, currency risk, liquidity risk and capital risk the Company's exposure to them and how these risks are managed.

Credit risk

Credit risk is the risk of financial loss associated with a counterparty's inability to fulfil its payment obligations.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised in the balance sheet as noted in the above table. The Company's directors consider that all the above financial assets for each of the balance sheet dates under review including those which are past due settlement dates and those which are still within due settlement dates, are of a good credit quality. When making this assessment the Directors take into account ageing of any underlying receivables, liquidity within the underlying structures and its impact on their ability to settle the Company's receivable balances and any other individual circumstances in connection with the receivable of which they are aware. See note 8 for more information on financial assets that are past due settlement dates.

The Company's exposure to credit risk pertains primarily to the client related accounts receivable which are across a large base of private clients, thereby significantly reducing any counterparty concentration risk. The client receivables are not interest rate sensitive and are not impacted by changes in market conditions. The Company seeks to limit its credit risk with regard to customers by actively monitoring outstanding receivables.

The Company's credit risk objectives, policies, and methodologies have not changed materially from 2016.

The expected maturity of financial assets at the reporting date was:

(Thousands of British Pounds)	1-3 months	3-6 months	Over 6 months	Total
31 October 2017				
Cash and cash equivalents	6,131	-	-	6,131
Trade and other receivables	3	-	120	123
	6,134	-	120	6,254
31 October 2016				
Cash and cash equivalents	6,165	-	-	6,165
Trade and other receivables	137	-	-	137
Amounts due from related parties	10	-	-	10
	6,312	-	-	6,312

Currency risk

Certain of the Company's transactions are conducted in United States dollars, Canadian dollars, Euros and other foreign currencies. Consequently, the Company is exposed to foreign exchange risk on these transactions and any resulting foreign exchange gains/losses are recognised in the Statement of Comprehensive Income. Management is of the opinion that there is no material impact on the Company arising from foreign exchange risk because the Company does not have material foreign exchange exposures and therefore no sensitivity analysis has been presented.

Market risk

Market risk is the risk of loss on the value of a financial instrument that may arise from changes in market factors such as interest rates, foreign exchange rates, equity or commodity prices, and credit spreads.

Given that the nature of the Company's financial instruments are non-trading assets and liabilities, exposure to market risk is not significant and therefore no sensitivity analysis has been presented.

ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2017

13. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS - CONTINUED

Liquidity risk

Liquidity and funding risk is the risk that the Company may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost-effective manner to meet its commitments as they fall due.

Given that the nature of the Company's financial commitments are determined based on revenue received from clients with no other significant long-term debt, exposure to liquidity risk is minimal.

The contractual maturity of financial liabilities based on the earliest date that the Company is required to pay at the reporting date was:

(Thousands of British Pounds)	Less than 6 months	6 months to 1 year	1-5 years	Total
31 October 2017				
Trade and other payables	30	-	-	30
Amounts due to related parties	2	-	-	2
	32	-	-	32
31 October 2016				
Trade and other payables	40	-	23	63
Amounts due to related parties	30	-	-	30
	70	-	23	93

Capital risk management

The Board manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2016.

The Company's financial instruments comprise cash and liquid resources and various items such as trade receivables and trade payables which arise directly from operations.