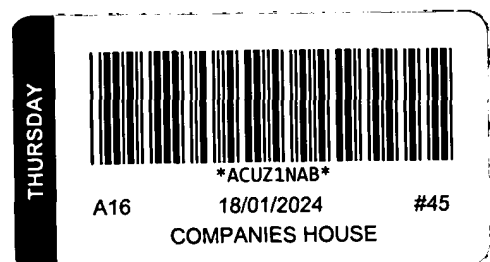


Company number: 00849073

**ROYAL BANK OF CANADA TRUST CORPORATION LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 OCTOBER 2023**



# **ROYAL BANK OF CANADA TRUST CORPORATION LIMITED**

---

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2023**

<b>CONTENTS</b>	<b>Page</b>
Officers and professional advisers	2
Directors' report	3
Directors' responsibilities statement	5
Independent auditor's report	6
<i>Statement of Financial Position</i>	9
<i>Statement of Comprehensive Income</i>	10
<i>Statement of Changes in Equity</i>	11
<i>Statement of Cash Flows</i>	12
Notes to the Financial Statements	13

# **ROYAL BANK OF CANADA TRUST CORPORATION LIMITED**

---

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

N Kinseley  
C McCann  
G McCourt

### **SECRETARY**

R Vickery

### **REGISTERED OFFICE**

100 Bishopsgate  
London  
United Kingdom  
EC2N 4AA

### **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 2023. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption as per the Companies Act 2006 section 415. The Company is exempt from presenting a Strategic Report in line with the Companies Act 2006 section 414b.

### **INCORPORATION**

The Company was incorporated in London, United Kingdom on 14 May 1965.

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company relates to a historic financing arrangement following the cessation of providing Trustee and Trust Administration Services in 2016.

### **RESULTS**

The results of the Company are shown in the Statement of Comprehensive Income on page 10.

### **ACCOUNTING STANDARDS**

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards as required by the Companies Act 2006. This change constitutes a change in accounting framework. However there is no impact on the recognition, measurement or disclosure in the period reported as a result of the change in accounting framework.

### **GOING CONCERN**

The Company has reported an operating profit for the year. The directors have a reasonable expectation, based on a review of budgets and expected liquidity position, 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.

### **DIVIDENDS**

No dividend was paid or proposed during the year ended 31 October 2023 (2022: £nil).

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The Company reported a profit for the year.

The Company continues to earn revenue on deposits with related parties and to monitor any activities in relation to the historic financing arrangement.

### **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 10 of the financial statements.

### **DIRECTORS**

The present directors are shown on page 2 and have all served throughout the year and subsequently.

### **SECRETARY**

The present secretary is shown on page 2 and has served throughout the year.

## ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

---

### DIRECTORS' REPORT - CONTINUED

#### 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.

#### 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 the financial statements confirms that:

- as far as the director is 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 any relevant audit information and to establish that the Company's auditor is aware of that information.

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

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



Nicholas Kinseley  
Director



Caroline McCann  
Director

14 December 2023

## **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 UK-adopted International Accounting Standards as required by the Companies Act 2006. 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.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. However, directors are also required to:

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

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and that disclosure with reasonable accuracy as 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 assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **DIRECTORS' CONFIRMATIONS**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is 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.

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

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 October 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 2023; the statement of comprehensive income, statement of changes in equity, statement of cash flows 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members 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, except to the extent otherwise explicitly stated in this report, 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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 members for the financial statements**

As explained more fully in the Directors' responsibilities statement, the members 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 members 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 members 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 members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the company, including those that have a direct impact on the preparation of the financial statements such as Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- inquiries with management and those charged with governance of the Company to consider known or suspected instances of non-compliance with laws and regulations, and fraud;
- reviewing the minutes of meetings of the board of directors for matters relevant to the audit;
- performing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing and inspecting legal expenditure for any indication of undisclosed litigation or non compliance with laws and regulations; and

- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations against revenue accounts and entries posted containing unusual account descriptions, where any such journal entries were identified, and the evaluation of any business rationale for any significant or unusual transactions considered to be outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' 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 obtained 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 members' 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 members 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.



Ian Ross (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Jersey  
15 December 2023

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## STATEMENT OF FINANCIAL POSITION

### AS AT 31 OCTOBER

(Thousands of British Pounds)	Notes	2023	2022
<b>Current assets</b>			
Cash and cash equivalents	9	4,743	4,371
Related Party Receivable		128	-
<b>Total assets</b>		<b>4,871</b>	<b>4,371</b>
<b>Current liabilities</b>			
Trade and other payables	7	9	10
Taxation		117	13
<b>Total liabilities</b>		<b>126</b>	<b>23</b>
<b>Equity</b>			
Share capital	8	3,000	3,000
Retained earnings		1,745	1,348
<b>Total equity attributable to shareholders</b>		<b>4,745</b>	<b>4,348</b>
<b>Total liabilities and equity</b>		<b>4,871</b>	<b>4,371</b>

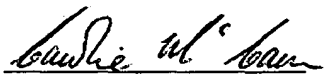
The accompanying notes on pages 13 to 22 form an integral part of these financial statements.

Approved by the Board of Directors on 11 December 2023.

Signed on behalf of the Board



Nicholas Kinseley  
Director



Caroline McCann  
Director

Signed: 14 December 2023

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	2023	2022
<b>Income</b>			
Related party income	9	584	132
<b>Expenses</b>			
Related party expenses	9	-	4
Other expenses		67	59
<b>Total expenses</b>		67	63
<b>Income before loss taxes</b>		517	69
Income taxes	5	(120)	(18)
<b>Total comprehensive (loss)/income for the year</b>		397	51
<b>Total comprehensive income attributable to:</b>			
Shareholders		397	51

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 year.

The accompanying notes on pages 13 to 22 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**

<b>(Thousands of British Pounds)</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance at 1 November 2021</b>	3,000	1,297	4,297
Total comprehensive (loss)/income for the year	-	51	51
<b>Balance at 31 October 2022</b>	3,000	1,348	4,348
Total comprehensive (loss)/income for the year	-	397	397
<b>Balance at 31 October 2023</b>	3,000	1,745	4,745

The accompanying notes on pages 13 to 22 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	2023	2022
<b>Cash flows from operating activities</b>			
Income before income taxes		517	69
<b>Adjustments for non-cash items and others</b>			
Interest received		(584)	(132)
		(67)	(63)
<b>Changes in operating assets and liabilities</b>			
Trade and other receivables		-	48
Trade and other payables		(1)	-
Related party receivable		(128)	-
		(196)	(15)
Income taxes paid		(16)	2
<b>Net cash (used in) operating activities</b>		(212)	(13)
<b>Cash flow from investing activities</b>			
Interest received		584	132
<b>Net cash from investing activities</b>		584	132
<b>Net change in cash and cash equivalents</b>		372	119
Cash and cash equivalents at the beginning of year		4,371	4,252
<b>Cash and cash equivalents at end of year</b>		4,743	4,371

The accompanying notes on pages 13 to 22 form an integral part of these financial statements.

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

---

### 1. GENERAL INFORMATION

Royal Bank of Canada Trust Corporation is a limited liability company incorporated in England on 14 May 1965 and is domiciled in the UK. The address of the registered office is 100 Bishopsgate, London, United Kingdom, EC2N 4AA. The principal activity of the Company relates to a historic financing arrangement following the cessation of providing Trustee and Trust Administration Services in 2016.

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards as required by the Companies Act 2006. This change constitutes a change in accounting framework. However there is no impact on the recognition, measurement or disclosure in the period reported as a result of the change in accounting framework

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 9 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 UK-adopted International Accounting Standards as required by the Companies Act 2006. This change constitutes a change in accounting framework. However there is no impact on the recognition, measurement or disclosure in the period reported as a result of the change in accounting framework

##### ii) Historical cost convention

The financial statements have been prepared under a historical cost basis. The particular accounting 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 the 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 on 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.

#### (d) Significant accounting judgements and estimates

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.

There are no significant judgements and estimates included in the financial statements.

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

---

### 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### (e) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction with the exception of Note 10 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. 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.

#### (f) 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.

#### (g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

##### *(i) Recoverability of trade and other receivables – credit loss rates*

In accordance with IFRS 9, the allowance for credit losses on trade receivables are estimated using a provision matrix based on the Company's historic credit loss experience, adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate. Provision rates are segregated according to geographical location and by specific client's risk profile.

The net trade receivable positions calculated using the matrix are reviewed by management to assess whether the applied probability of future losses are appropriate to known changes in the credit risk, where applicable, specific provisions may be allocated. There was £nil (2022: nil) of allowance credit losses ("ACL") provisions in relation to trade and other receivables.

#### (h) 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 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.

Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax is recognised in profit or loss, except where 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.

#### (i) Share capital

The company classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments issued by the Company are classified as equity instruments when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are included in equity as a deduction from the proceeds, net of tax. Dividends on these instruments are classified as dividends paid in the Statement of Changes in Equity.

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### (j) Revenue recognition

##### *Fee income*

Revenue is accounted for on an accruals basis. Revenue is recognised at the point in time when the Company has provided the services and has the right to receive payment for its services.

#### (k) Expense recognition

Expenses are accounted for on an accruals basis and are recorded in the financial statements of the periods in which they relate.

#### (l) Standards in issue but not yet effective

There are a number of standards in issue but not yet effective which the directors have assessed and deemed do not apply to the Company.

### 3. REVENUE

#### Related party income

##### **For the year ended 31 October**

<i>(Thousands of British Pounds)</i>	<b>2023</b>	<b>2022</b>
Interest	526	132
Trustee fees	58	-
	<b>584</b>	<b>132</b>

### 4. AUDITORS REMUNERATION

##### **For the year ended 31 October**

<i>(Thousands of British Pounds)</i>	<b>2023</b>	<b>2022</b>
This is stated after charging:		
Auditor's remuneration	10	10

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

### 5. INCOME TAXES

##### **For the year ended 31 October**

<i>(Thousands of British Pounds)</i>	<b>2023</b>	<b>2022</b>
<b>Current tax</b>		
UK Corporation tax	(120)	(18)
	<b>(120)</b>	<b>(18)</b>

#### **United Kingdom – Current tax**

The Company is subject to UK Corporation Tax at an effective rate of 23% for the financial year 2023 (2022: 19%).

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

### 5. INCOME TAXES – CONTINUED

#### Reconciliation to statutory tax rate

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

<b>For the year ended 31 October</b>		
<i>(Thousands of British Pounds)</i>	<b>2023</b>	<b>2022</b>
Income before loss taxes	517	69
Income taxes at standard UK corporation rate of 23% (2022: 19%)	117	13
<i>Effects of</i>		
Adjustments in respect of previous years	3	5
Income tax charge/(credit) for the year	120	18

### 6. CASH AND CASH EQUIVALENTS

<b>As at 31 October</b>		
<i>(Thousands of British Pounds)</i>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents with related parties	4,743	4,371
	4,743	4,371

### 7. TRADE AND OTHER PAYABLES

<b>As at 31 October</b>		
<i>(Thousands of British Pounds)</i>	<b>2023</b>	<b>2022</b>
<b>Current liabilities</b>		
Other payables	9	10
	9	10

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

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

### 8. SHARE CAPITAL

As at 31 October		
(Thousands of British Pounds)	2023	2022
<b>Authorised share capital</b>		
An unlimited number of ordinary voting shares of £1 each may be issued		
<b>Issued, allotted and fully paid:</b>		
3,000,000 ordinary voting shares of £1 each	3,000	3,000

Each issued share carries the right of one vote per share.

### 9. RELATED PARTY TRANSACTIONS

#### Related parties

Related parties include the parent bank, Royal Bank of Canada (RBC), associated companies over which RBC has direct or indirect control or has significant influence and post-employment benefit plans for the benefit of RBC Group's employees. Related parties also include key management personnel ("KMP"), the Board of Directors of RBC ("RBC Directors"), close family members of KMP and RBC Directors, and entities which are, directly or indirectly, controlled by or jointly controlled by KMP, RBC Directors or their close family members.

#### Key management personnel and RBC Directors

KMP 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 members of RBC called the Group Executive ("GE"). The GE is comprised of the President and Chief Executive Officer, and the Chief Officers and Group Heads, who report directly to him. 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.

#### Compensation of Key management personnel and RBC Directors

For the year ended 31 October <sup>(1)</sup>		
(CAD million)	2023	2022 <sup>(2)</sup>
Salaries and other short-term employee benefits <sup>(3)</sup>	23	27
Post-employment benefits <sup>(4)</sup>	2	2
Share based payments	39	40
	64	69

- (1) KMP and RBC Directors received their remuneration from RBC. No direct compensation is charged to the Company by RBC in respect of the services provided.
- (2) During the year ended 31 October 2022, certain executives who were members of RBC's Group Executive as at 31 October 2021, left RBC and therefore, were no longer part of KMP. Compensation for the year ended 31 October 2022, attributable to the former RBC executives, including benefits and share-based payments relating to awards granted in prior years was \$14 million.
- (3) 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.
- (4) RBC Directors do not receive post-employment benefits.

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

### 9. RELATED PARTY TRANSACTIONS - CONTINUED

**Stock options, shared-based awards and shares held by Key management personnel, RBC Directors and their close family members**

**As at 31 October**

	2023 <sup>(1)</sup>		2022 <sup>(2)</sup>	
	No. of units held	Value CAD million	No. of units held	Value CAD million
Stock options <sup>(3)</sup>	2,805,471	26	2,409,294	59
Other non-option share-based awards <sup>(3)</sup>	991,909	110	914,496	115
RBC common and preference shares	181,648	20	170,312	22
	3,979,028	156	3,494,102	196

(1) During the year ended 31 October 2023, certain RBC directors who were members of the Board of Directors as at 31 October 2022, retired. Total shareholdings held upon their retirement was 32,958 units with a value of \$4 million.

(2) During the year ended 31 October 2022, certain RBC executives who were members of RBC's Group Executive as at 31 October 2021, left RBC. Total shareholdings and options held upon their departure was 569,470 units, with a value of \$34 million.

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

**Transactions, arrangements and agreements involving Key management personnel, RBC 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 2023 total loans to KMP, RBC Directors and their close family members were \$18 million (31 October 2022: \$14 million). RBC has no Stage 3 allowance or provision for credit losses relating to these loans as at and for the years ended 31 October 2023 and 31 October 2022. 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 2023

### 9. 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.

<b>As at 31 October</b>		
(Thousands of British Pounds)	<b>2023</b>	<b>2022</b>
<b>Balances with related parties</b>		
<b>Analysis of cash and cash equivalents with related parties</b>		
RBC Affiliates – Cash and cash equivalents	4,743	4,371
<b>Amounts due from related parties</b>		
RBC Affiliates – Other receivables	128	-
Amounts due from related parties	128	-
<b>Transactions with related parties</b>		
<b>For the year ended 31 October</b>		
(Thousands of British Pounds)	<b>2023</b>	<b>2022</b>
<b>Income</b>		
RBC Affiliates – Interest income	526	132
RBC Affiliates – Trustee fees	58	-
Related party income	584	132
<b>Expenses</b>		
Ultimate parent – cost sharing	-	4
Related party expenses	-	4

### 10. 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.

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

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

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

#### Summary of financial assets and liabilities by category

<b>As at 31 October</b>		
(Thousands of British Pounds)	<b>2023</b>	<b>2022</b>
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	4,743	4,371
Related Party Receivable	128	-
	<b>4,871</b>	<b>4,371</b>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	9	10

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

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

The Company is an indirect wholly owned subsidiary of RBC. In general credit risk, currency risk, market risk, liquidity and capital risk are managed as part of the overall RBC risk management practices.

#### 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 Statement of Financial Position as noted in the above table. The Company's directors consider that all the above financial assets for each year end date 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.

The Company's exposure to credit risk pertains primarily to cash, so exposure to credit risk is minimal.

The Company subjects trade and other receivables to the expected credit loss model. The expected credit losses are measured using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Provision rates are segregated according to geographical location and by specific client's risk profile. There was £nil (2022: nil) of allowance for credit losses ("ACL") provisions in relation to trade and other receivables.

Amounts due from related parties and cash and cash equivalents held with related parties are assessed by management to be of low credit risk with sufficient resources available to cover the amounts due when required. The Company's credit risk objectives, policies, and methodologies have not changed materially from last year.

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

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

#### Credit risk - Continued

The ageing of financial assets at the reporting date was:

(Thousands of British Pounds)	1-3 months	3-6 months	Over 6 months	Total
<b>31 October 2023</b>				
Cash and cash equivalents	4,743	-	-	4,743
Amounts due from related parties	128	-	-	128
	4,871	-	-	4,871
<b>31 October 2022</b>				
Cash and cash equivalents	4,371	-	-	4,371
	4,371	-	-	4,371

The Company does not hold any collateral or other credit enhancements over its trade receivables. In the opinion of the directors there has been no change in the credit quality, which is assessed on the basis of previous collectability.

#### Currency risk

Certain of the Companies transactions are conducted in United States dollars, Canadian dollars, Euro 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.

As GBP represented 99% of the Total Assets and Liabilities at 31 October 2023 (31 October 2022: 99%) 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, which hasn't changed since last year, the exposure to market risk is not significant and therefore no sensitivity analysis has been presented.

#### 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 basis to meet its commitments as they fall due.

Given the nature of the Company's financial position, with no significant long-term debt, exposure to liquidity risk is minimal.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without risking damage to the Company's reputation. The Company's liquidity risk objectives, policies, and methodologies have not changed materially from last year.

# ROYAL BANK OF CANADA TRUST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

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

#### Liquidity risk - Continued

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
<b>31 October 2023</b>				
Trade and other payables	9	-	-	9
Trade and other payables	9	-	-	9
<b>31 October 2022</b>				
Trade and other payables	10	-	-	10
Trade and other payables	10	-	-	10

#### Capital risk management

The Board views capital as comprising all components of equity including share capital and retained earnings. The Board's objectives when maintaining capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for the shareholder and benefits for other stakeholders and to provide an adequate return to shareholders by pricing services commensurate with the level of risk.

The Board sets the amount of capital it requires in proportion to risk and regulatory requirements. In order to maintain or adjust the capital structure, the Board may adjust the amounts of dividends paid to the shareholder, return capital to the shareholder, issue new shares, or sell assets. The Company's overall strategy remains unchanged since last year.

### 11. REMUNERATION OF DIRECTORS AND EMPLOYEES

None of the Directors serving during the year received any emoluments from the Company (2022: £nil). The Directors received their remuneration from other companies. The Company had no employees (2022: None).

### 12. SUBSEQUENT EVENTS

Events after the reporting period have been evaluated up to the date the financial statements are available for issue and there are no material events to be disclosed in the financial statements.