

COMPANY NO. 01124733

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

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ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

For the year ended 31 October 2009

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 October 2009

Principal activities and state of affairs

The company is a United Kingdom incorporated holding company. Its subsidiaries provide a range of banking and other financial services, primarily in the United Kingdom, as part of the international activities of Royal Bank of Canada.

The company's principal subsidiary is Royal Bank of Canada Europe Limited, an authorised bank, which is primarily engaged in corporate and investment banking activities. The company is taking advantage of the small companies exemptions under section 415A of the Companies Act 2006, in preparing the directors report.

Results and dividends

The profit on ordinary activities after taxation for the year ended 31 October 2009 of £1,408,000 (2008 1,374,000) was transferred to reserves.

The directors do not recommend the payment of a dividend (2008 £nil).

Future prospects

The activities of the company are expected to continue in a similar manner for the foreseeable future.

Statement of Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is set out in the financial statements. In addition, note 12 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, and its exposures to credit risk, market risk and liquidity risk.

The Company has adequate financial resources. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation 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 accounts.

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

For the year ended 31 October 2009

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

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

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The following served as directors of the company throughout the year

J W Burbidge
C A McManus

Third Party Indemnities

During the financial year, the Company's directors benefited from qualifying third party indemnities granted by the Company's 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 these financial statements. A copy of each of the indemnities is kept at the registered office of the Company.

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

For the year ended 31 October 2009

REPORT OF THE DIRECTORS (continued)

Auditors

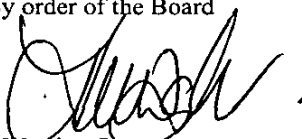
In the case of each of the directors of the Company as at the date when this report was approved

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

This confirmation is given and should be interpreted in accordance with the provision of S416 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors

By order of the Board

A handwritten signature in black ink, appearing to be 'J Wright', written over a horizontal line.

J Wright, Secretary
13 July 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

We have audited the financial statements of Royal Bank of Canada Holdings (U K) Limited for the year ended 31 October 2009 which comprise the Profit and Loss Account and the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 October 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.

Michael Lloyd

Michael Lloyd (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

13 July 2010

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2009

	Notes	2009	2008
		£'000	£'000
Other interest receivable and similar income		1,417	1,400
Interest payable		-	(15)
Net interest income	3	1,417	1,385
Administrative expenses		(11)	(21)
Profit on ordinary activities before taxation	4	1,406	1,364
Tax on profit on ordinary activities	6	2	10
Profit on ordinary activities after taxation		1,408	1,374

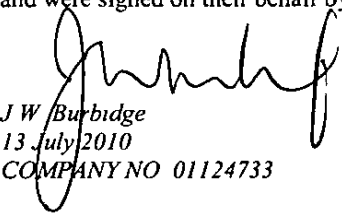
All transactions are derived from continuing operations

There are no recognised gains or losses in either the current year or previous year other than the results for the financial years ended 31 October 2009 and 31 October 2008, respectively, as stated above, and therefore no statement of total recognised gains and losses is required

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED**BALANCE SHEET AT 31 OCTOBER 2009**

	Note	2009 £'000	2008 £'000
FIXED ASSETS			
Investments in subsidiaries	7	580,987	580,987
CURRENT ASSETS			
Amounts owed by group undertakings		2,055	630
Current taxation		7	25
		2,062	655
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Other creditors		-	(1)
NET CURRENT ASSETS/ (LIABILITIES)		2,062	654
TOTAL ASSETS LESS CURRENT LIABILITIES		583,049	581,641
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Subordinated liabilities due to immediate parent undertaking	8	-	(95,185)
TOTAL NET ASSETS		583,049	486,456
CAPITAL AND RESERVES			
Called up share capital	9	489,544	394,359
Profit and loss account	10	93,505	92,097
EQUITY SHAREHOLDERS' FUNDS	11	583,049	486,456

The financial statements were approved and authorised to be issued by the Board of Directors on 13th July 2010 and were signed on their behalf by


J W Burbidge
13 July 2010
COMPANY NO 01124733

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

Notes to the Accounts

For the year ended 31 October 2009

1 Basis of Presentation

- a) The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities measured at fair value, and in compliance with the Companies Act 2006. They are prepared in accordance with applicable accounting standards of the Accounting Standards Board and pronouncements of its Urgent Issues Task Force and with the Statements of Recommended Practice issued by the British Bankers Association.
- b) In accordance with the provisions of Section 401 of the Companies Act 2006 the company is exempt from preparing and delivering consolidated financial statements because it is a wholly owned subsidiary of a parent undertaking that is not established in the EEA.
- c) In accordance with the Financial Reporting Standard 8 'Related Party Disclosures', the Company is exempt from the requirement to disclose related party transactions with entities that are wholly owned by a member of the RBC Holdings group. There were no other related party transactions or balances requiring disclosure.
- d) The company is ultimately owned by Royal Bank of Canada and is included in the consolidated financial statements of Royal Bank of Canada, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement in accordance with paragraph 5, Financial reporting Standard 1 (revised 1996).
- e) The financial statements have been prepared on the going concern basis as disclosed in the Directors' statement of going concern set out in the Report of the Directors.

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

2 Principal Accounting Policies

a) Income Recognition

Interest income is recognised in the profit and loss account as it accrues other than interest of doubtful collectability, which is suspended and excluded from interest income

b) Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where necessary, provision for any impairment in value

c) Taxation

Current tax, including UK Corporation tax, is provided using UK tax rates and laws on taxable profits taken into account relief for overseas taxation where appropriate

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date. These timing differences arise from the inclusion of items of income and expenditure in the Company's tax computations in different periods from those in which they are included in the financial statements. The amounts provided are calculated at the rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they are recoverable.

Notes to the Accounts

For the year ended 31 October 2009

3 Net Interest Income

All net interest income is derived from group companies

4 Profit on ordinary activities before taxation

	2009 £'000	2008 £'000
The Profit on ordinary activities before taxation for the year is arrived at after taking into account Auditors' remuneration - audit fee	11	12

5 Remuneration of directors and employees

None of the directors serving during the year received any emoluments from the company (2008 nil). The Directors received their remuneration from Royal Bank of Canada. The company has no employees (2008 nil).

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

6 Tax (credit) on profit on ordinary activities

	2009	2008
	£'000	£'000
Profit before taxation	1,406	1,364
Tax reconciliation		
Profit on ordinary activities before taxation multiplied at the UK standard rate of 28%(2008 - 28.83%)	394	393
Adjustments recognised in respect of prior periods	(396)	(403)
	-	-
Tax (credit)	(2)	(10)

7 Investments in subsidiaries

Cost and net book value:	2009	2008
	£'000	£'000
At start of the year	580,987	400,987
Additions during the year	-	180,000
At end of the year	580,987	580,987

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

Notes to the Accounts

For the year ended 31 October 2009

7 Investments in subsidiaries (cont)

Details of the company's subsidiaries are as follows

<u>Company</u>	<u>Business</u>	<u>Capital & Reserves</u> <u>2009</u> <u>£'000</u>	<u>Profit / (Loss)</u> <u>2009</u> <u>£'000</u>
Royal Bank of Canada Europe Limited	Banking	1,051,377	343,017
Royal Bank of Canada Investment Management (U K) Limited	Investment management	3,158	(1,071)
RBC Asset Management UK Limited	Investment management	5,993	751
Royal Bank of Canada Trust Corporation Limited	Trustee	4,408	1,408
Orion Leasing Holdings Limited	Leasing		Liquidated

All subsidiaries are 100% owned, incorporated in Great Britain and registered in England and Wales

Details of the company's subsidiaries authorised and issued shares are as follows

<u>Company</u>	<u>Class of Share</u>	<u>Total Authorised shares</u>	<u>Issued shares</u>
Royal Bank of Canada Europe Limited	Deferred	24,776,290	24,776,290
Royal Bank of Canada Europe Limited	Ordinary	535,223,710	477,184,294
Royal Bank of Canada Investment Management (U K) Limited	Ordinary	10,300,000	7,550,000
RBC Asset Management UK Limited	Ordinary	500,000	300,000
Royal Bank of Canada Trust Corporation Limited	Ordinary	3,000,000	3,000,000

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

Notes to the Accounts

For the year ended 31 October 2009

8 Subordinated liabilities

	2009	2008
	£'000	£'000
Loan capital due to parent companies		
£16 1m repayable 2007-2015	-	16,100
£2 2m repayable 2007-2016	-	2,200
£7 65m repayable 2016	-	7,650
£31 2m repayable 2009	-	31,234
£8m repayable 2010	-	8,000
£17m repayable 2011	-	17,000
£13m repayable 2011	-	13,000
	<u>-----</u>	<u>-----</u>
	-	95,184
	<u>=====</u>	<u>=====</u>

As at 7th October 2009 the Company has been released from its obligations in relation to the above loan capital by the issuance of 95,184,500 fully paid, ordinary shares of £1 each in the capital of the Company for a consideration of £95,184,500 to RBC Finance B V Details of the financial risks on this can be seen in Note 12

9 Share capital

	2009	2008
	£'000	£'000
Allotted and fully paid		
489,543,936 ordinary shares of £1 each	489,544	394,359
	<u>=====</u>	<u>=====</u>

As at 7th October 2009, the Company issued £95,184,500 fully paid, ordinary shares of £1 each (see note 8 for details)

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

Notes to the Accounts

For the year ended 31 October 2009

10 Profit and loss account

	2009	2008
	£'000	£'000
Profit for the financial year	1,408	1,374
Opening profit and loss account	92,097	90,723
	=====	=====
Closing profit and loss account	93,505	92,097
	=====	=====

11 Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Profit for the financial year	1,408	1,374
New Shares issued	95,185	180,000
	-----	-----
Net addition to shareholders' funds	96,593	181,374
Opening shareholders' funds	486,456	305,082
	-----	-----
Closing shareholders' funds	583,049	486,456
	=====	=====

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED

Notes to the Accounts

For the year ended 31 October 2009

12 Financial Risk Management

The Company's subsidiaries provide a range of banking and other financial services, primarily in the United Kingdom, as part of the international activities of Royal Bank of Canada. The company itself has limited exposure to financial risks. Risk management is carried out within the Company's subsidiaries as part of a group wide approach.

The Company had an outstanding subordinated debt of £nil (2008 -£95,184,000) and Amounts owed by group undertakings of £2,055,000 (2008 £630,000) these are not subject to significant financial risk.

The Company is therefore deemed to have minimal Credit, Liquidity and Market risk as defined under FRS 29.

13 . Parent companies

The company's immediate parent company is RBC Finance B V , a company registered in the Netherlands, and its ultimate parent company and controlling party is Royal Bank of Canada, incorporated in Canada, which is also the parent undertaking of the smallest and largest group which includes the company and for which group accounts are prepared. Copies of the group financial statements of Royal Bank of Canada are available at 71 Queen Victoria Street, London EC4V 4DE.