

Company No. 01124733

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

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

31 OCTOBER 2023

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

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

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

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A MacKinnon
P Dixon
L Wallis

SECRETARY

A Richardson

REGISTERED OFFICE

100 Bishopsgate
London
EC2N 4AA

INDEPENDENT AUDITOR

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

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

STRATEGIC REPORT

For the year ended 31 October 2023

BUSINESS REVIEW

Royal Bank of Canada Holdings (U.K.) Limited (the “Company”) is a holding company registered in England and Wales, with subsidiaries that provide a range of investment and asset management services, as well as private client fiduciary services and other financial services. The client base of subsidiaries is primarily, private clients, trusts, funds, companies and institutions. The Company is a wholly-owned subsidiary of Royal Bank of Canada. The Company’s income streams are limited to dividend income from subsidiaries and net interest income generated from cash deposits.

As shown in the Company’s Statement of Comprehensive Income on page 11, total interest income increased by £3.3 million from prior year to £4.4 million (2022: £1.5 million). Dividend income increased by £0.4 million from prior year to £0.4 million in 2023 (2022: £nil). This increase is due to RBC Investment Management (UK) Limited (“RBIM UK”) paying a dividend prior to liquidation.

The subsidiaries of the Company had positive results. RBC Global Asset Management UK (“GAM UK”) and RBIM UK made a profit before tax.

KEY PERFORMANCE INDICATORS

Net profit for the year ended 31 October 2023 was £4.4 million (2022: £1.2 million).

The Statement of Financial Position of the Company is shown on page 10 of the financial statements. Total assets in the year 2023: £156.1 million (2022: £150.7 million).

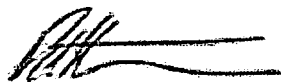
PRINCIPAL RISKS AND UNCERTAINTIES

The Company’s business activities are limited as a holding Company and therefore it is not extensively exposed to risks other than credit and liquidity risks. The Company’s principal risks and uncertainties and financial and other risk management objectives and policies including information about the Company’s capital structure are discussed in Note 11 to the financial statements.

ENVIRONMENT

Royal Bank of Canada recognises the importance of its environmental responsibilities and has established an environmental policy, the goal of which is to minimise the environmental impact of its business activities. Details can be found in the Corporate Responsibility Report of Royal Bank of Canada, incorporated in Canada. This policy is applicable to Royal Bank of Canada Holdings (U.K.) Limited.

On behalf of the board



Authorised Signatory
Director
Name: Peter Dixon

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Royal Bank of Canada Holdings (U.K.) Limited (the "Company") for the year ended 31 October 2023.

INCORPORATION

The Company was incorporated in the United Kingdom (July 1973)

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The activities of the Company are expected to continue in a similar manner for the foreseeable future with the exception of liquidation of RBIM UK whose business has already been transferred to RBC Europe Limited. RBIM UK was liquidated in September 2023.

In addition, the BlueBay UK business conducted out of BlueBay Asset Management LLP ("the LLP") has been transferred to a subsidiary of the company, GAM UK Limited by way of an asset sale, such that the combined businesses are conducted out of GAM UK.

RESULTS

The net profit for the year ended 31 October 2023 was £4.4 million (2022: £1.2 million).

ACCOUNTING STANDARDS

The financial statements are prepared in accordance with UK-adopted International Accounting Standards and as per the requirements of the Companies Act 2006 and in effect as at 31 October 2023.

GOING CONCERN

The Company has reported an operating profit for the year. The directors have a reasonable expectation, based on a review of budget's 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 in the year ended 31 October 2023 (2022: £nil)

THIRD PARTY INDEMNITIES

During the financial year the Company's directors benefitted 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.

CAPITAL STRUCTURE

The Company's capital structure consists of common equity shares, retained earnings and capital reserves.

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

DIRECTORS

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

The Company is a 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 shown on page 2 and have all served throughout the year and subsequently.

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 11 of the financial statements.

INDEPENDENT AUDITOR

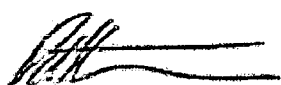
PricewaterhouseCoopers CI LLP have expressed their willingness to continue in office.

Each of the persons who is a director at the date of approval of the financial statements confirms that:

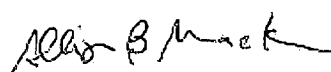
1. so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
2. the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to 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 on behalf of the board



Director
Peter Dixon



Director
Allison Mackinnon

Signed: 14th December 2023

ROYAL BANK OF CANADA HOLDINGS (U.K.) 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. 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 the 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 UK-adopted International Accounting Standards 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable UK-adopted International Accounting Standards. However, the 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 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 Holdings (U.K.) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Royal Bank of Canada Holdings (U.K.) 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 Audited 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 and 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 Strategic report and 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.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and 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 Strategic report and 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 company, including those that have a direct impact on the preparation of the financial statements such as the 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;
- 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 as being 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. 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.



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

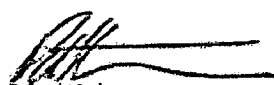
ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023**

(Thousands of British Pounds)	Notes	2023	2022
Non-current assets			
Investments in subsidiaries	4	23,300	3,935
		23,300	3,935
Current Assets			
Cash and cash equivalents	3	132,767	145,262
Amounts due from related parties	11	19	1,489
		132,786	146,751
Total assets		156,086	150,686
Current liabilities			
Trade and other payables		10	13
Taxation	10	1,324	279
Total liabilities		1,334	292
Equity			
Share capital	5	18,316	18,316
Retained earnings		114,143	109,785
Capital reserves		22,293	22,293
Total equity attributable to shareholders		154,752	150,394
Total liabilities and equity		156,086	150,686

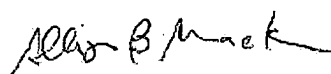
The accompanying notes on pages 14 to 24 form an integral part of the financial statements.

Approved and authorised by the Board of Directors on 11th December 2023.

Signed on behalf of the Board of Directors



Director
Peter Dixon



Director
Allison Mackinnon

Signed: 14th December 2023

Company No. 01124733

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2023**

(Thousands of British Pounds)	Notes	2023	2022
Income			
Interest income	6	5,893	1,489
Dividend Income	7	440	-
Total revenue		6,333	1,489
Expenses			
Administrative expenses	8	(13)	(24)
Total expense		(13)	(24)
Impairment of investment in subsidiary		(635)	-
Income before income taxes		5,685	1,465
Income taxes	10	(1,327)	(279)
Total comprehensive income for the year		4,358	1,186
Total comprehensive income attributable to:			
Shareholders		4,358	1,186

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

The accompanying notes on pages 14 to 24 form an integral part of the financial statements.

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2023**

(Thousands of British Pounds)	Share Capital	Retained Earnings	Capital Reserves	Total Equity
Balances at 1 November 2021	18,316	108,599	22,293	149,208
Total comprehensive income for the year	-	1,186	-	1,186
Balances at 31 October 2022	18,316	109,785	22,293	150,394
Total comprehensive income for the year	-	4,358	-	4,358
Balances at 31 October 2023	18,316	114,143	22,293	154,752

The accompanying notes on pages 14 to 24 form an integral part of the financial statements.

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2023

(Thousands of British Pounds)	Notes	2023	2022
Cash flows from operating activities			
Income before income taxes		5,685	1,465
Adjustments for net changes in operating assets and liabilities:			
Write down of investment in subsidiary		635	-
Amounts due from related parties		1,470	(1,489)
Trade and other receivables		-	-
Trade and other payables		(3)	2
		7,787	(22)
Income taxes paid		(282)	(14)
Net cash from operating activities		7,505	(36)
Cash flows from investing activities			
Investments in subsidiaries	4	(20,000)	-
Net cash (used in) investing activities		(20,000)	-
Net change in cash and cash equivalents		(12,495)	(36)
Cash and cash equivalents at beginning of year		145,262	145,298
Cash and cash equivalents at end of year	3	132,767	145,262

The accompanying notes on pages 14 to 24 form an integral part of the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

1. GENERAL INFORMATION

Royal Bank of Canada Holdings (U.K.) Limited (the "Company") is a holding company registered in England and Wales (July 1973), with subsidiaries that provide a range of investment and asset management services, as well as private client fiduciary services and other financial services. The address of the Company's registered office is 100 Bishopsgate, London, EC2N 4AA.

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 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.

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.

ii) Historical cost convention

The financial statements have been prepared on 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) Basis of non-consolidation

The Company has not prepared consolidated accounts in accordance with the exemption under International Accounting Standard ("IAS") 27 Consolidated and Separate Financial Statements, on the basis that the Company itself is a wholly-owned subsidiary and the shareholder has access to all pertinent information concerning the resources and results of operations of the Royal Bank of Canada. Consolidated financial statements can be requested from the Corporate Secretary's Department, Royal Bank of Canada, Royal Bank Plaza, PO Box 1, Toronto, Ontario, M5J 2J5.

d) 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 of future events that are believed to be reasonable.

e) Significant judgements and estimates

In the preparation of these financial statements, management is required to make significant judgements and estimates 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 HOLDINGS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

f) 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 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.

g) 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.

h) Investments in subsidiaries

The investments in subsidiaries are included in the Statement of Financial Position at the historic sterling cost less provision for any impairment in value. Impairment is assessed annually at the end of each financial year having regard to underlying assets and anticipated future cash flows. If there is an indication that the investment in subsidiary may be impaired, an impairment test is performed by comparing the carrying amount of the investment in subsidiary to its recoverable amount. If the recoverable amount of the investment in subsidiary is less than its carrying amount, the carrying amount of the investment in subsidiary is written down to its recoverable amount as an impairment loss.

i) Trade and other payables

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

j) Dividend income

Dividend income is recognised when the Company's right to receive payment is established. This occurs on the date when shareholders have approved the dividend.

k) Expense recognition

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

l) 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 country where the Company operates and generates 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 a 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 transaction affects neither accounting nor taxable profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

2. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

l) Income Taxes - continued

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 possible 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 if 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 related to the same taxation authority.

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 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.

m) Conceptual framework

Tax and deferred 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.

During the first quarter of 2021, the Group adopted the revised Conceptual Framework, which replaces the previous version of the Conceptual Framework issued in 2010. The Conceptual Framework is not a standard, and does not override the concepts or requirements in any standard. It may be used to develop consistent accounting policies where there is no applicable standard in place. The revisions include a few new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no material impact on the consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

(Thousands of British Pounds)	2023	2022
Amounts due from related parties		
RBC Affiliates	132,767	145,262

Amounts due from related parties are unsecured and repayable on demand.

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

4. INVESTMENTS IN SUBSIDIARIES

(Thousands of British Pounds)	2023	2022
Cost and net book value:		
As at start of the year	3,935	3,935
Investment in GAM UK ¹	20,000	
Impairment of Investment in RBIM UK	(635)	-
As at end of the year	23,300	3,935

¹ On 31 March 2023 GAM UK acquired the BlueBay UK asset management business which was conducted out of BlueBay Asset Management LLP and BlueBay Asset Management Corporation Ltd. The main objective of the transaction is to achieve operational alignment to leverage our collective strengths, resources, and talents. The £20m capital injection was used to part fund the transaction in GAM UK.

Details of the Company's subsidiaries are as follows:

The registered office address of all subsidiaries is 100 Bishopsgate, London, EC2N 4AA.

(Thousands of British Pounds)				
Company	Nature of Business	2023	2022	
Royal Bank of Canada Investment Management (U.K.) Limited ¹	Investment management	-	635	
RBC Global Asset Management (UK) Limited	Investment management	20,300	300	
Royal Bank of Canada Trust Corporation Limited	Trustee	3,000	3,000	
At end of the year		23,300	3,935	

Subsidiary Total Equity as at 31 October 2023

(Thousands of British Pounds)						
Company	Share Capital	Retained Earnings	Profit/ (Loss)	Capital Injection	Total	
RBC Global Asset Management (UK) Limited	300	217,874	(100,720)	20,000	137,454	
Royal Bank of Canada Trust Corporation Limited	3,000	1,348	397	-	4,745	
At end of the year 2023	3,300	219,222	(100,323)	20,000	142,199	

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

4. INVESTMENTS IN SUBSIDIARIES – CONTINUED

All subsidiaries are 100% owned by the Company, incorporated in the United Kingdom and registered in England and Wales. At the financial year end impairment reviews were carried out where there was an indication that an asset may be impaired except as set out below. IAS 36 requires that assets be carried at no more than their recoverable amount. To meet this objective, the standard requires entities to test all assets that are within its scope for potential impairment when indicators of impairment exist or, at least, annually for goodwill and intangible assets with indefinite useful lives.

At the financial year end there was no indication that GAM UK Limited or Royal Bank of Canada Trust Corporation Limited were impaired. For both subsidiaries their respective equity value was higher than the carrying values.

The investment in Royal Bank of Canada Investment Management (U.K.) Limited (“RBIM UK”) has been impaired in the current year due to the company dissolving in September 2023.

5. SHARE CAPITAL

(Thousands of British Pounds)	2023	2022
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Authorised share capital

An unlimited number of ordinary voting shares may be issued

Issued, allotted, and fully paid:

610,542,936 ordinary voting shares of £0.03 each	18,316	18,316
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Each issued share carries the right of one vote per share.

6. INTEREST INCOME

(Thousands of British Pounds)	2023	2022
Interest income received from related parties: RBC Affiliates (Note 10)	5,893	1,489
Other Interest income	-	-
Total interest income	5,893	1,489

7. Dividend Income

(Thousands of British Pounds)	2023	2022
Dividend income received from RBIM UK	440	-
Total Dividend income	440	-

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

8. ADMINISTRATIVE EXPENSES

(Thousands of British Pounds)	2023	2022
Audit fees	10	13
Other expenses	3	11
Total	13	24

During the year the Company's auditor's remuneration was £9,612 (2022: £13,319).

9. 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 has no employees (2022: 0.0).

10. INCOME TAXES

(Thousands of British Pounds)	2023	2022
UK corporation tax on Income/(loss) for the year	1,327	279
	1,327	279

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

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 tax is as follows:

(Thousands of British Pounds)	2023	2022
Income before income taxes	5,685	1,465
Income tax at the UK corporation tax rate 23% (2022: 19%)	1,281	279
Effect of:		
Income exempt from tax	143	
Expenses not deductible for tax purposes	(99)	
Adjustment in respect of prior years	2	-
Total tax charge for the year	1,327	279

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

11. RELATED PARTY TRANSACTIONS

Related party

Related parties include the parent bank, Royal Bank of Canada ("RBC"), associated companies, post-employment benefit plans for the benefit of RBC Group's employees, 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, jointly controlled by or significantly influenced by KMP, RBC Directors or their close family members.

The Company is the parent company of the following subsidiaries: GAM UK, RBC Pension Trustees Limited and Royal Bank of Canada Trust Corporation Limited. The Company has agreed that RBC Pension Trustees Limited (Company Number 1035515), Royal Bank of Canada Investment Management (U.K.) Limited (Company Number 02494634), and Montco Nominees Limited (Company Number 503419) are exempt from the requirements of an audit under section 479A of the Companies Act 2006 by virtue of a declaration of guarantee provided under section 479C of the Companies Act 2006.

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

The following tables present the compensation paid, shareholdings and options held by KMP and RBC Directors.

For the year ended ⁽¹⁾

(CAD million)	2023	2022 ⁽²⁾
Salaries and other short-term employee benefits ⁽³⁾	23	27
Post-employment benefits ⁽⁴⁾	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 RBC executives who were members of RBC's Group Executive as at 31 October 2022, 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 year 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.

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

As at 31 October

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

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

11. RELATED PARTY TRANSACTIONS CONTINUED

(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 stock 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 KMP, RBC 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 and ultimate parent company and controlling party is Royal Bank of Canada, a company incorporated in Canada which is also the parent undertaking 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 are available from the following address:

Royal Bank of Canada
Royal Bank Plaza
PO Box 1
Toronto
Ontario
M5J 2J5
Canada

Affiliates

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

Balances with related parties

(Thousands of British Pounds)	2023	2022
Balances with related parties		
RBC Affiliates – Cash and cash equivalents	132,767	145,26
RBC Affiliates – Amounts due from related parties	19	1,489

Transactions with related parties

(Thousands of British Pounds)	2023	2022
Income		
RBC Affiliates – Dividend income	440	-
RBC Affiliates – Interest income	5,893	1,489
	6,333	1,489

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

12. 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. The Company itself has limited exposure to financial risk. Risk management is carried out at the Company's subsidiaries level as part of group-wide approach.

The Board delegates the monitoring of risk to the WMI Risk and Compliance 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 liquid resources and various items such as amounts due from related parties and trade and other payables which arise directly from operations.

Summary of financial assets and liabilities by category

(Thousands of British Pounds)	2023	2022
Financial assets at amortised cost		
Cash and cash equivalents	132,767	145,262
Amounts due from related parties	19	1,489
	132,786	146,751
Financial liabilities at amortised cost		
Trade and other payables	10	13
	10	13

Management 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 a directly wholly-owned subsidiary of RBC.

In general, credit risk, currency risk, market risk, liquidity risk and capital risk are managed as part of the overall RBC risk management practices.

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

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

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 at each year end date under review are of a good credit quality.

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.

The ageing of financial assets at the reporting date was:

(Thousands of British Pounds)	1-3 months	3-6 Months	Over 6 months	Total
31 October 2023				
Cash and cash equivalents	132,767	-	-	132,767
Amounts due from related parties	19	-	-	19
	132,786	-	-	132,786
31 October 2022				
Cash and cash equivalents	145,262	-	-	145,262
Amounts due from related parties	1,489	-	-	1,489
	146,751	-	-	146,751

Currency risk

The Company generates its revenues largely from dividend and interest income which is calculated and paid in pound sterling. As pound sterling represented 100% of the total Assets and Liabilities at 31 October 2023 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, exposure to market risk is not significant and therefore no sensitivity analysis has been presented.

Liquidity risk

Liquidity 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.

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.

Liquidity risk is also considered minimal as trade and other payables are short term in nature and the Company maintains high levels of liquid cash and cash equivalents balances. The directors are of the opinion that the carrying value of the Company's Trade and other payables equate to their fair value.

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2023

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

The expected maturities of financial liabilities at the reporting date were:

(Thousands of British Pounds)	Less than 6 months	6 months to 1 year	1-5 year	Total
31 October 2023				
Trade and other payables	10	-	-	10
	10	-	-	10
31 October 2022				
Trade and other payables	13	-	-	13
	13	-	-	13

Capital risk management

The Board views capital as comprising all components of equity including share capital, retained earnings and capital reserves. 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. The Company is not a regulated Company and therefore does not require a minimum capital level.

13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There were no subsequent events after the reporting period.