

Company No. 1124733

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
(formerly The Royal Bank of Canada Holdings (U.K.) Limited)

REPORT AND FINANCIAL STATEMENTS

31st October 1992



ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
(formerly The Royal Bank of Canada Holdings (U.K.) Limited)

REPORT OF THE DIRECTORS

For the year ended 31st October 1992

The Directors present their annual report and the audited financial statements for the year ended 31st October, 1992.

Activity

The principal activity of the Company is the holding of investments.

Results

The profit after taxation for the year was £3,302,000 (1991: loss £972,000). The directors do not propose the payment of a dividend.

Directors

The following served as directors throughout the year:

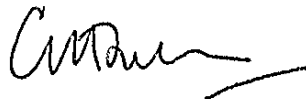
A.B. Marshall (Chairman)
Professor Sir James Ball
C.J.H. Fisher
R.A. Masleck
D.P. Pritchard

The Company is an indirect wholly owned subsidiary of Royal Bank of Canada. None of the directors has any disclosable interest in the shares of the Company.

Auditors

Touche Ross & Co. have expressed their willingness to continue in office as auditors, and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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



C.J.H. Fisher
Secretary

11th February, 1993.

AUDITORS' REPORT TO THE MEMBERS

of

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
(formerly The Royal Bank of Canada Holdings (U.K.) Limited)

We have audited the financial statements on pages 3 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31st October, 1992 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

Touche Ross & Co.
Chartered Accountants &
Registered Auditor
Peterborough Court
133 Fleet Street
London EC4A 2TR.

11th February, 1993

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
(formerly The Royal Bank of Canada Holdings (U.K.) Limited)

PROFIT AND LOSS ACCOUNT

For the year ended 31st October 1992

	Note	1992 £'000	1991 £'000
Interest receivable		4,953	1,999
Exceptional items	4	(2,941)	(2,941)
Administrative expenses		(344)	(210)
Other operating income		-	180
Operating profit/(loss)		1,668	(972)
Interest payable		(1)	-
Other income		249	-
Profit/(loss) on ordinary activities before taxation	2	1,916	(972)
Tax on profit/(loss) on ordinary activities	7	1,386	-
Profit/(loss) on ordinary activities after taxation		3,302	(972)
Profit and loss account brought forward		(68,370)	(67,398)
Profit and loss account carried forward		(65,068)	(68,370)

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
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Balance sheet at 31st October 1992

	Note	1992 £'000	1991 £'000
FIXED ASSETS			
Interests in subsidiaries	5	142,787	81,461
Other investments		34	-
		-----	-----
		142,821	81,461
		-----	-----
CURRENT ASSETS			
Amounts owed by parent companies		12,961	10,302
Deferred taxation	8	1,386	-
Prepayments and accrued income		296	488
		-----	-----
		14,643	10,790
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amounts owed to subsidiaries		(3,000)	(3,000)
Other creditors including taxation		(213)	(213)
		-----	-----
NET CURRENT ASSETS		11,430	7,577
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		154,251	89,038
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Loans from parent companies	6	(180,262)	(121,050)
PROVISIONS AGAINST LOSSES OF SUBSIDIARY UNDERTAKINGS		(17,302)	(14,603)
		-----	-----
		(43,313)	(46,615)
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	21,755	21,755
Profit and loss account		(65,068)	(68,370)
		-----	-----
		(43,313)	(46,615)
		=====	=====

The financial statements were approved by the Board of Directors on 11th February, 1993. Signed on behalf of the Board of Directors.

..... *D.P. Pritchard* *R.A. Masleck*

D.P. Pritchard R.A. Masleck

Director Director

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
(formerly The Royal Bank of Canada Holdings (U.K.) Limited)

CASH FLOW STATEMENT

For the year ended 31st October 1992

	1992 £'000	1991 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES		
Interest received	5,145	1,533
Administrative expenses paid	(344)	(210)
	-----	-----
	4,801	1,323
	-----	-----
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		
Purchase of additional shares in subsidiary undertaking	(2,500)	-
Purchase of other investments	(34)	-
Loans to subsidiary undertakings	(51,002)	(68,000)
Capital distribution from subsidiary undertaking	249	6,780
	-----	-----
	(53,287)	(61,220)
	-----	-----
NET CASH OUTFLOW FROM SERVICING OF FINANCE		
Interest paid	(1)	-
	-----	-----
FINANCING		
New loans from parent companies	51,002	68,000
Repayment of loans from subsidiary undertaking	-	(7,533)
	-----	-----
	51,002	60,467
	-----	-----
INCREASE IN CASH AND CASH EQUIVALENTS	2,515	570
	=====	=====

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
(formerly The Royal Bank of Canada Holdings (U.K.) Limited)

NOTES TO THE CASH FLOW STATEMENT

For the year ended 31st October 1992

1.	RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES	1992 £'000	1991 £'000
	Operating profit	1,668	(972)
	Decrease/(increase) in interest receivable	192	(478)
	Provision against interests in and losses of subsidiaries	3,085	3,068
	Profit on foreign currency translation	(144)	(127)
	Decrease in other creditors	-	(168)
	Net cash inflow from operating activities	4,801 =====	1,323 =====
2.	ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR		£'000
	Balance at 1 November 1991		7,302
	Net cash inflow		2,515
	Effect of foreign exchange differences		144
	Balance at 31 October 1992		9,961 =====
3.	ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS	1992 £'000	1991 £'000
	Money at call and short notice	12,961	10,302
	Short-term borrowings	(3,000)	(3,000)
		9,961 =====	7,302 =====
4.	ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR		Loans from parent companies £'000
	Balance at 1 November 1991		121,050
	Cash inflow from financing		51,002
	Effect of foreign exchange differences		8,210
	Balance at 31 October 1992		180,262 =====

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
(formerly The Royal Bank of Canada Holdings (U.K.) Limited)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st October 1992

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular accountancy policies adopted are described below:

- (a) The financial statements are prepared under the historical cost convention. Group financial statements have not been prepared as the company is a wholly owned subsidiary of a company incorporated in the European Community for whom consolidated financial statements are filed in the UK.
- (b) Foreign currency balances are translated at exchange rates ruling at the year end. Resultant movements are dealt with through the profit and loss account. Foreign currency transactions during the year are translated at the rate ruling on the relevant transaction date.
- (c) Premiums payable on forward foreign exchange contracts, entered into as hedging transactions, are amortised to the profit and loss account evenly over the period of the contract. Balance sheet figures do not include the gross amount of forward purchases and sales.
- (d) Investments in subsidiaries are stated at cost or lower valuation where in the opinion of the directors a permanent diminution in value has been sustained.

Other unlisted investments are held at cost less provisions, which the Directors consider to be a fair valuation.

- (e) Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in the periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the year ended 31st October 1992

2. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is after charging:

	1992 £'000	1991 £'000
Auditors' remuneration	33	30
	=====	=====

Interest receivable is mainly derived from investments in UK group companies.

3. Emoluments of directors and employees

(a) The emoluments of the Chairman and highest paid director were £2,000 (1991: £2,000).

(b) The emoluments of the other directors who discharged their duties wholly or mainly within the United Kingdom were within the indicated ranges:-

	1992	1991
£0 - £5,000	1	1
	=====	=====

No disclosable emoluments were paid in respect of any of any other directors, in the year to 31st October, 1992 (1991: Nil).

(c) The Company has no employees (1991: Nil).

4. Exceptional items

	1992 £'000	1991 £'000
Profit on foreign currency translation	144	127
Provision against interests in and losses of subsidiary undertakings	(3,085)	(3,068)
	-----	-----
	(2,941)	(2,941)
	=====	=====

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st October 1992

5. Interests in subsidiaries

	Subsidiary shares £'000	Company loans £'000	Total £'000
Cost:			
At 1st November 1991	45,556	68,202	113,758
Additions	2,500	59,212	61,712
	-----	-----	-----
At 31st October 1992	48,056	127,414	175,470
	-----	-----	-----
Provisions:			
At 1st November 1991	32,297	-	32,297
Charges	386	-	386
	-----	-----	-----
At 31st October 1992	32,683	-	32,683
	-----	-----	-----
Net Book Value:			
At 31st October 1992	15,373	127,414	142,787
	-----	-----	-----
At 31st October 1991	13,259	68,202	81,461
	-----	-----	-----

Details of the Company's subsidiaries are as follows:-

<u>Company</u>	<u>Business</u>
Chancellor Investments Limited	Holding company
Royal Bank of Canada Europe Limited	Banking
and its wholly owned subsidiaries:	
Kingfisher Drilling Limited	Dormant
KD Perfuracoes Limitada (Brazil)	Dormant
Orion Cayman Limited (Cayman Islands)	Finance
Orion Royal Bank Limited	Dormant
Orion Leasing Holdings Limited	Leasing
and its subsidiary	
Orion Finance Limited	Leasing
Montco Nominees Limited	Nominee
Roytru Nominees Limited	Nominee

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st October 1992

<u>Company</u>	<u>Business</u>
Roycan Nominees Limited	Nominee
RBC Properties (London) Limited	Property
RBC Properties (Stamford Street) Limited	Property
Profitmore Limited	Leasing
Orion Royal Bank Participations Limited	Holding company
Royal Bank of Canada (London) Limited (formerly The Royal Bank of Canada (London) Limited)	Dormant
RBC Pension Trustees Limited	Trustee
Royal Bank of Canada Trade Finance Limited (formerly The Royal Bank of Canada Trade Finance Limited)	Trade finance
The Royal Bank of Canada Trade Credit Limited	Dormant
The Royal Bank of Canada Forfait Finance Limited	Trade finance
The Royal Bank of Canada Export Credit Limited	Dormant
RBC Trade Finance Inc. (USA)	Dormant
AST Trans-Act Limited (75%)	Systems
Trans-Act Limited	Dormant
Applied Software Technology Limited	Systems

All subsidiaries are 100% owned, incorporated and registered in England except where shown.

6. Loans from parent companies

	1992 £'000	1991 £'000
Subordinated unsecured repayable interest free;		
in equal annual instalments 2003-2015	16,100	16,100
in equal annual instalments 2007-2016	2,200	2,200
30th September 2006	7,650	7,650
23rd October 2009	27,100	27,100
2nd August 2011	17,000	17,000
5th August 2011	15,000	15,000
9th August 2011	23,000	23,000
31st October 2011	13,000	13,000
16th December 2011	59,212	-
	-----	-----
	180,262	121,050
	=====	=====

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st October 1992

7. Tax on profit/(loss) on ordinary activities

	1992 £'000	1991 £'000
Deferred tax credit	1,386 =====	- =====

No UK corporation tax charge/credit arises on the profit for the year. There are taxation losses of approximately £4 million available to carry forward.

8. Deferred taxation

The amount of deferred tax provided in the financial statements and the potential amount not provided are:-

	<u>Amount provided</u>		<u>Potential amount not provided</u>	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Interest receivable	98	-	-	152
Less: excess management expenses	(1,484)	-	-	(3,055)
	(1,386) =====	- =====	- =====	(2,903) =====

9. Called up share capital

	1992 £'000	1991 £'000
Authorised: 50,000,000 ordinary shares of £1 each	50,000 =====	50,000 =====
Allotted and fully paid: 21,754,572 ordinary shares of £1 each	21,755 =====	21,755 =====

ROYAL BANK OF CANADA HOLDINGS (U.K.) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st October 1992

10. Capital Commitments

The Company had no capital commitments at 31st October, 1992 (1991:Nil).

11. Parent Companies

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

Royal Bank of Canada has indicated its continuing support of the Company.