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ABACUS GROUP SERVICES UK LIMITED

Report and Financial statements

31 October 2008

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ABACUS GROUP SERVICES UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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ABACUS GROUP SERVICES UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G W Dick
R P Patterson
P J Rose

SECRETARY

RBC Secretaries (CI) Limited

REGISTERED OFFICE

La Motte Chambers
St Helier
Jersey
JE1 1BJ
Channel Islands

ADVOCATES

Mourant Du Feu & Jeune
PO Box 87
22 Grenville Street
St Helier
Jersey JE4 8PX
Channel Islands

ABACUS GROUP SERVICES UK LIMITED

DIRECTORS' REPORT

The directors present their report and the unaudited financial statements for the year ended 31 October 2008.

INCORPORATION

The company is incorporated in Jersey, Channel Islands.

PRINCIPAL ACTIVITIES

The principal activities of the company were previously the provision of managerial services. Following a corporate restructure in 2007, these services have diminished significantly due to the consolidation of such services across the group.

RESULTS

The results for the year are set out on page 4. The loss for the year, after taxation, amounted to £87,398 (2007: profit of £30,898).

DIVIDEND

The directors do not recommend payment of a final dividend for the year ended 31 October 2008 (2007: £Nil).

DIRECTORS

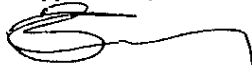
The present directors are shown on page 1 and have all served throughout the year and since the year end except as shown below:

| | |
|------------|--------------------------|
| R W Nutter | (resigned 28 July 2009) |
| P J Rose | (appointed 28 July 2009) |

SECRETARY

The present secretary is set out on page 1.

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



Secretary

9 OCTOBER 2009

ABACUS GROUP SERVICES UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records that 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 (Jersey) Law 1991. 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 also responsible for compliance with The Financial Services (Jersey) Law 1998 and its Codes of Practice.

ABACUS GROUP SERVICES UK LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 October 2008

| | | 2008 | 2007 |
|---|-------|-----------------|----------------|
| | Notes | £ | £ |
| FEES AND OTHER INCOME RECEIVABLE | 2 | 22 | 864,858 |
| Staff costs and similar charges | 3 | - | (140,111) |
| GROSS PROFIT | | <u>22</u> | <u>724,747</u> |
| Management charge | 4 | - | (558,182) |
| Other expenditure | | (87,420) | (120,259) |
| (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST | | <u>(87,398)</u> | <u>46,306</u> |
| Interest payable and similar charges | 5 | - | (41) |
| (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 6 | <u>(87,398)</u> | <u>46,265</u> |
| Taxation on ordinary activities | 7 | - | (15,367) |
| (LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | <u>(87,398)</u> | <u>30,898</u> |

RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than those included in the result above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result for the period stated above and its historical cost equivalents.

The notes on pages 6 to 9 inclusive form part of these financial statements

ABACUS GROUP SERVICES UK LIMITED

BALANCE SHEET

As at 31 October 2008

| | Notes | £ | 2008 £ | £ | 2007 £ |
|-------------------------------------|-------|------------------|----------------|----------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 232,340 | | 210,504 |
| CAPITAL ASSETS | | | | | |
| Debtors | | | | 108,210 | |
| Cash at bank and in hand | | 1,150,968 | | 372,544 | |
| | | <u>1,150,968</u> | | <u>480,754</u> | |
| CREDITORS: | | | | | |
| Amounts falling due within one year | 9 | (1,069,940) | | (290,492) | |
| NET CURRENT ASSETS | | | 81,028 | | 190,262 |
| | | | <u>313,368</u> | | <u>400,766</u> |
| CAPITAL AND RESERVES | | | | | |
| Called-up share capital | 10 | | 2 | | 2 |
| Profit and loss account | | | 313,366 | | 400,764 |
| SHAREHOLDERS' FUNDS | 11 | | <u>313,368</u> | | <u>400,766</u> |

The financial statements on pages 4 to 9 inclusive were approved by the board of directors on 9 October 2009

Signed on behalf of the Board of Directors

Director

Director

The notes on pages 6 to 9 inclusive form part of these financial statements

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2008

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the accounting principles generally accepted in the United Kingdom. The particular accounting policies adopted are described below and have been applied consistently in the current and preceding year.

Related Party Transactions

Under Financial Reporting Standard No. 8 "Related Party Disclosures" the company is exempt from the requirement to disclose related party transactions within the group on the grounds that more than 90% of the voting rights are controlled within the group and the consolidated financial statements of the ultimate parent company are publicly available.

Tangible Fixed Assets

Fixed assets held under finance leases are stated at the present value of the minimum lease payments due at the inception of the lease, or at fair value where this is considered a sufficiently close approximation to present value. Other tangible fixed assets are stated at their purchase price, including any incidental expenses of acquisition.

Depreciation is calculated to write down the cost of tangible fixed assets over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:-

| | % | |
|------------------------|-----|---|
| Office equipment | 20 | Straight line |
| Office furniture | 10 | Straight line |
| Leasehold improvements | | Over ten years or the period of the lease where shorter |
| Computer equipment | 33½ | Straight line |

Taxation

Current tax, including Jersey income tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

Deferred Taxation

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which all the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued Year ended 31 October 2008

1. ACCOUNTING POLICIES - continued

Cash Flow Statement

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 under the exemption available in Financial Reporting Standard No. 1 "Cash Flow Statements (revised 1996)".

2. FEES AND OTHER INCOME RECEIVABLE

Fees and other income relate entirely to services provided in the United Kingdom.

| 3. STAFF COSTS | 2008 £ | 2007 £ |
|-----------------------|-----------|----------------|
| Wages and salaries | - | 117,342 |
| Social security costs | - | 12,527 |
| Pension costs | - | 7,947 |
| Other benefits | - | 2,295 |
| | <u>-</u> | <u>140,111</u> |

Following a corporate restructuring exercise during 2007, the company no longer has any employees.

| 4. MANAGEMENT CHARGE | 2008 £ | 2007 £ |
|--|-----------|----------------|
| Payable to Abacus Group Services Limited | - | 558,182 |
| | <u>-</u> | <u>558,182</u> |

The management charge in the prior year was paid to the immediate parent, Abacus Group Services Limited, a company incorporated in Jersey, Channel Islands.

| 5. INTEREST PAYABLE AND SIMILAR CHARGES | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Bank interest and other charges | - | 41 |
| | <u>-</u> | <u>41</u> |

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued Year ended 31 October 2008

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Profit on ordinary activities before taxation is stated after charging: | | |
| Depreciation charge for the year/period | | |
| Tangible fixed assets held under finance leases | 64,421 | 57,595 |
| Property rentals – operating leases | - | 47,253 |

7. TAX ON ORDINARY ACTIVITIES

| | 2008 £ | 2007 £ |
|---------------------------|-----------|-----------|
| UK Corporation tax at 30% | - | 15,367 |

8. TANGIBLE FIXED ASSETS

| | Office furniture £ | Office equipment £ | Computer equipment £ | Leasehold improvements £ | Total £ |
|---------------------------|--------------------------|--------------------------|----------------------------|--------------------------------|------------|
| Cost | | | | | |
| 1 November 2007 | 205,078 | 14,931 | 93,247 | 72,747 | 386,003 |
| Fully written down assets | - | - | (3,924) | - | (3,924) |
| Additions | 15,725 | 18,682 | 20,970 | 30,880 | 86,257 |
| 31 October 2008 | 220,803 | 33,613 | 110,293 | 103,627 | 468,336 |
| Depreciation | | | | | |
| 1 November 2007 | 92,685 | 11,377 | 38,094 | 33,343 | 175,499 |
| Fully written down assets | - | - | (3,924) | - | (3,924) |
| Charge for the year | 21,068 | 1,850 | 33,418 | 8,085 | 64,421 |
| 31 October 2008 | 113,753 | 13,227 | 67,588 | 41,428 | 235,996 |
| Net book value | | | | | |
| 31 October 2008 | 107,050 | 20,386 | 42,705 | 62,199 | 232,340 |
| 31 October 2007 | 112,393 | 3,554 | 55,153 | 39,404 | 210,504 |

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued Year ended 31 October 2008

9. CREDITORS:

Amounts falling due within one year

| 2008 | 2007 |
|------|------|
| £ | £ |

Amounts owed to group undertakings

| | |
|---------|---------|
| 954,878 | 262,663 |
|---------|---------|

Other creditors

| | |
|---------|--------|
| 115,062 | 12,462 |
|---------|--------|

Taxation

| | |
|---|--------|
| - | 15,367 |
|---|--------|

| | |
|------------------|----------------|
| <u>1,069,940</u> | <u>290,492</u> |
|------------------|----------------|

10. CALLED-UP SHARE CAPITAL

| 2008 | 2007 |
|------|------|
| £ | £ |

Authorised

10,000 ordinary shares of £1 each

| | |
|--------|--------|
| 10,000 | 10,000 |
|--------|--------|

Allotted and called up

2 ordinary shares of £1 each

| | |
|----------|----------|
| <u>2</u> | <u>2</u> |
|----------|----------|

11. MOVEMENT ON SHAREHOLDERS' FUNDS

| | SHARE CAPITAL | PROFIT AND LOSS ACCOUNT | SHAREHOLDERS' FUNDS |
|------------------------------|------------------|-------------------------------|------------------------|
| | £ | £ | £ |
| 1 November 2007 | 2 | 400,764 | 400,766 |
| Retained profit for the year | - | (87,398) | (87,398) |
| 31 October 2008 | <u>2</u> | <u>313,366</u> | <u>313,368</u> |

12. HOLDING COMPANY, ULTIMATE CONTROLLING PARTY AND RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Abacus Group Services Limited, a company incorporated in Jersey, Channel Islands.

The company's ultimate parent company and controlling party is Royal Bank of Canada, which is incorporated in Canada. 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