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ABACUS TEN LIMITED

Annual Report and Financial statements

Year ended 31 October 2010

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ABACUS TEN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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ABACUS TEN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2010

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 October 2010. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Incorporation

The company was incorporated in the United Kingdom on 18 March 2002.

Principal activities

The principal activities of the company are those of a provider of financial consulting services.

Review of business and future developments

The company's primary role is to act as a financial consultant to a number of clients within RBC group of companies. The year ended 31 October 2010 has seen a continuation of the challenging market conditions, however, the company has increased Assets under Administration and therefore revenues of the company. In 2009 a new service level agreement was signed to reflect the work done by the staff of the company in introducing new business to other areas of the RBC group. This resulted in referral fees of £976,339 being received by the company in 2010 (2009 £670,998). Due to a change in strategy the model of providing financial consulting services to clients from Abacus Ten Limited is no longer required by RBC group. It is therefore the intention of the Directors to place the company into voluntary liquidation within the next 12 months.

Results and dividends

The profit for the year, after taxation amounted to £256,035 (year ended 2009 loss £133,757).

No dividend was paid in the year ended 31 October 2010 (year ended 2009 £Nil).

Going concern

The Directors intend to place the company into voluntary liquidation within next 12 months and accordingly these financial statements have been prepared on a basis other than going concern. The company has reported an operating profit for the year despite the challenging economic environment. The directors believe the company has a sound funding and liquidity position and adequate capital resources so the company is well placed to manage its business risks successfully until such time as an orderly cessation of trade can be affected.

Directors' responsibilities for 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.

ABACUS TEN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2010

DIRECTORS' REPORT - continued

Directors' responsibilities for the financial statements - continued

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 during the year

P F M Egan (appointed 8 August 2010)
M B H Evans
K M Flanagan
A H H Pettigrew
T L Maeter (appointed 11 August 2010)

None of the directors has any interest in the shares of the company or any other group company that are required to be disclosed in accordance with the Companies Act 2006.

Secretary

The secretary of the company at 31 October 2010 was O Adejumo

Auditors

Deloitte LLP have expressed their willingness to continue in office

Each of the persons who is a director at the date of approval of this report confirms that

- 1 so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 2 the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information 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 provisions of Section 418 of the Companies Act 2006.

By order of the Board


Authorised Signatory
Hamish Pettigrew

Registered Office
71 Queen Victoria Street
London
EC4V 4DE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABACUS TEN LIMITED

We have audited the financial statements of Abacus Ten Limited for the year ended 31 October 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 Chapter 3 of Part 16 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 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 2010 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.

Emphasis of matter – Financial statements are prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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.



Christopher Leck, MA, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

St Helier, Jersey

Date 23 February 2011

ABACUS TEN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT For the year ended 31 October 2010

		2010	2009
	Notes	£	£
Fees and other income receivable		1,343,374	1,167,632
Staff costs and similar charges	3	(620,787)	(1,039,885)
Gross profit		<u>722,587</u>	<u>127,747</u>
Other expenditure		(347,367)	(323,719)
Operating profit/(loss)		<u>375,220</u>	<u>(195,972)</u>
Interest (expense)/income	4	(1,143)	7,006
Profit/(Loss) on ordinary activities before taxation	2	<u>374,077</u>	<u>(188,966)</u>
Taxation on ordinary activities	5	(118,042)	55,209
Profit/(Loss) on ordinary activities after taxation		<u>256,035</u>	<u>(133,757)</u>

All activities derive from continuing operations

There are no other movements in shareholders' funds for the current or prior financial year other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses has been prepared.

The notes on pages 6 to 10 inclusive form part of these financial statements

ABACUS TEN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

BALANCE SHEET As at 31 October 2010

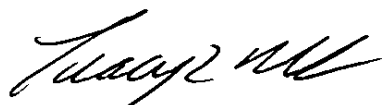
	Notes	£	2010 £	£	2009 £
Current assets					
Debtors	6	1,006,557		572,757	
Cash at bank		779,385		1,600,166	
		<u>1,785,942</u>		<u>2,172,923</u>	
Creditors:					
Amounts falling due within one year	7	(599,448)		(1,242,464)	
Net current assets			1,186,494		930,459
Total assets less current liabilities			<u>1,186,494</u>		<u>930,459</u>
Creditors:					
Amounts falling due after one year	8		(400,000)		(400,000)
Net Assets			<u>786,494</u>		<u>530,459</u>
Capital and reserves					
Called-up share capital	9		500,000		500,000
Profit and loss account	10		286,494		30,459
Shareholder's funds	10		<u>786,494</u>		<u>530,459</u>

The financial statements on pages 4 to 10 inclusive were approved and authorised for issue by the board of directors on

Signed on behalf of the Board of Directors



Director
A H H Pettigrew



Director
T L Maeter

Company Number 4397363

The notes on pages 6 to 10 inclusive form part of these financial statements

ABACUS TEN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2010

I. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards

Fees receivable

Fees are recognised on an accruals basis

Going concern

As explained in the directors' report, the directors have an intention to put the company into voluntary liquidation because of a change in RBC group strategy. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. The directors have, where appropriate, considered writing down the company's assets to net realisable value. Provisions have also been considered for any onerous contractual commitments at the balance sheet date. No material adjustments arose as a result of ceasing to apply the going concern basis. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

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

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be recovered (or paid) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The standard rate of corporation tax was 28 percent with effect from 1 April 2008.

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.

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 the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

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 100% of the voting rights are controlled within the group and the consolidated financial statements of the ultimate parent company are publicly available.

Foreign currency translation

Assets, liabilities, revenues and costs arising from transactions denominated in foreign currencies are translated into sterling at the exchange rate in operation on the date when the transaction occurred. At each balance sheet date monetary assets and liabilities denominated in a foreign currency are translated to sterling at the closing rate. Foreign exchange gains and losses are included in the profit and loss account.

ABACUS TEN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 October 2010

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2010 £	2009 £
Profit/(Loss) on ordinary activities before taxation is stated after charging Auditors' remuneration	2,912	5,500

3. REMUNERATION OF DIRECTORS AND EMPLOYEES

	2010 £	2009 £
Emoluments	331,836	341,940
	<u>331,836</u>	<u>341,940</u>

There are two directors who are paid emoluments. The emoluments of the highest paid director, excluding pension contributions, were £331,836 (2009 £341,940). The remaining directors did not receive any remuneration for their services to this company.

	2010 £	2009 £
Salaries and Bonuses	492,649	838,962
Other benefits	128,138	200,923
	<u>620,787</u>	<u>1,039,885</u>

The average number of persons working full time for the company during the year was 7 (2009 12). All employees operated in investment management or related activities.

4. INTEREST INCOME

	2010 £	2009 £
Bank and other interest	(1,143)	7,006

ABACUS TEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 October 2010

5. TAX ON ORDINARY ACTIVITIES	2010	2009
	£	£
Current tax		
UK Corporation tax	97,525	(55,209)
Prior Year Adjustment	20,517	-
	<u>118,042</u>	<u>(55,209)</u>
Deferred tax	-	-
Total tax on profit on ordinary activities	<u>118,042</u>	<u>(55,209)</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2010	2009
	£	£
Profit/ (Loss) on ordinary activities before tax	<u>374,077</u>	<u>(188,966)</u>
Tax on profit on ordinary activities at standard UK Corporation tax rate of 28% (2009 28%)	104,742	(52,910)
Effects of		
Effect of expenses not deductible for tax	(7,217)	(2,299)
Prior Year adjustments	20,517	-
Current tax charge/(credit) for the year	<u>118,042</u>	<u>(55,209)</u>

6. DEBTORS	2010	2009
	£	£
Amount due within 12 months		
Prepayments and accrued income	1,006,557	572,757
	<u></u>	<u></u>
7. CREDITORS:		
Amounts falling due within one year	2010	2009
	£	£
Amounts owed to group undertakings	56,440	349,209
Accruals and deferred income	445,483	812,517
Tax Payable	97,525	80,738
	<u>599,448</u>	<u>1,242,464</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand

ABACUS TEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS - continued For the year ended 31 October 2010

8. CREDITORS:		
Amounts falling due after one year	2010	2009
	£	£
Group subordinated loan	400,000	400,000

RBC Trust Company (International) Limited made available a subordinated loan facility of £400,000. Under the terms of the agreement, the facility is interest free, unsecured and subject to a minimum notice period of 2 years.

9. CALLED-UP SHARE CAPITAL	2010	2009
	£	£
Authorised		
500,000 ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
500,000 ordinary shares of £1 each	500,000	500,000

10. RECONCILIATION OF MOVEMENTS IN RESERVES AND SHAREHOLDER'S FUNDS

	Share Capital	Profit and loss Account	Shareholder's funds
	£	£	£
At 1 November 2009	500,000	30,459	530,459
Profit for the year	-	256,035	256,035
At 31 October 2010	500,000	286,494	786,494

ANNUAL REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 October 2010

11. PENSIONS

The company operates a defined contribution arrangement for current employees. The cost to the company in the year to 31 October 2010 was £29,864 (2009 £39,090). As at 31 October 2010 outstanding contributions amounted to £Nil (2009 £Nil).

12. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of RBC Investment Solutions (CI) Limited, a company incorporated in Guernsey, Channel Islands.

The company's ultimate parent company and controlling party is Royal Bank of Canada, which is incorporated in Canada. The largest group in which the results of the company are consolidated is that headed by The Royal Bank of Canada. The consolidated financial statements of this group are available to the public and can be obtained from the company's offices at

Royal Bank of Canada
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Ontario M5J 2J5
Canada