

**Fairbairn Private Bank (IOM) Limited**

**Abridged financial statements**

**For the year ended 31 December 2009**

# Fairbairn Private Bank (IOM) Limited

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# Fairbairn Private Bank (IOM) Limited

## Directors and officers

### Directors

H Askari (resigned 30 June 2009)  
J C Averty  
T Boardman (appointed 19 October 2009)  
G Cookman (appointed 10 March 2009)  
A G K Hamilton  
G J Horton  
N M E James  
T D Mackay  
D Macready  
D Stearn (appointed 19 February 2009)

### Secretary

N M E James

### Registered office

St Mary's Court  
20 Hill Street  
Douglas  
Isle of Man  
IM1 1EU

### Auditors

KPMG Audit LLC  
Heritage Court  
41 Athol Street  
Douglas  
Isle of Man  
IM99 1HN



## **Statement of the independent auditors to the members of Fairbairn Private Bank (IOM) Limited**

We have examined the abridged financial statements set out on pages 3 to 6.

This statement is made solely to the Company's members, as a body, in accordance with applicable Isle of Man law. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a statement 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 work, for this statement, or for the opinions we have formed.

### *Respective responsibilities of directors and auditors*

The Directors are responsible for preparing the abridged financial statements in accordance with applicable Isle of Man law. Our responsibility is to report to you our opinion on the consistency of the abridged financial statements with the full annual financial statements and Directors' Report and their compliance with the relevant requirements of Rule 2.26 of the Financial Services Rule Book 2008 and guidance notes issued by the Isle of Man Financial Supervision Commission, applicable to the abridged financial statements.

### *Basis of opinion*

We conducted our work in accordance with Bulletin 1999/6 "The auditor's statement on the summary financial statements" issued by the UK Auditing Practices Board. Our report on the Company's full annual financial statements describes the basis of our audit opinion on those financial statements. We have not considered the effects of events between the date of signing the full annual financial statements on 26 March 2010 and the date of this report. Our reports on the full annual financial statements and Directors' Report contained therein were unqualified.

### *Opinion*

In our opinion the abridged financial statements are consistent with the full annual financial statements and Director's report of Fairbairn Private Bank (IOM) Limited for the year ended 31 December 2009 and comply with the requirements of Rule 2.26 of the Financial Services Rule Book 2009 and guidance notes issued by the Isle of Man Financial Supervision Commission, applicable to the abridged financial statements.

**KPMG Audit LLC**  
*Chartered Accountants*  
Heritage Court  
41 Athol Street  
Douglas  
Isle of Man  
IM99 1HN

**11 May 2010**

Note: The maintenance and integrity of the Fairbairn Private Bank (IOM) Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements or audit report since they were initially presented on the website.

Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Fairbairn Private Bank (IOM) Limited

## Abridged Statement of financial position

as at 31 December 2009

	<i>Notes</i>	<b>2009</b> <b>£'000</b>	2008 £'000
<b>Assets</b>			
Money market assets		<b>317,643</b>	311,267
Loans and advances to customers		<b>196,321</b>	161,941
Loans and advances to group undertakings	4	<b>31,863</b>	104,883
Property and equipment		<b>301</b>	384
Other assets		<b>2,487</b>	25,897
Investments in subsidiaries	5	<b>504</b>	502
<b>Total assets</b>		<b>549,119</b>	604,874
<b>Liabilities</b>			
Deposit liabilities		<b>502,532</b>	539,168
Other liabilities		<b>9,724</b>	29,336
<b>Total liabilities</b>		<b>512,256</b>	568,504
<b>Shareholder's equity</b>			
Paid up and issued share capital		<b>5,000</b>	5,000
Reserves		<b>433</b>	3,460
Retained earnings		<b>31,430</b>	27,910
<b>Total shareholder's equity</b>		<b>36,863</b>	36,370
<b>Total liabilities and shareholder's equity</b>		<b>549,119</b>	604,874

The notes on pages 4 to 6 form part of these abridged financial statements.

These abridged financial statements were approved by the Board of Directors on 10 May 2010 and were signed on their behalf by:

**G J Horton**  
*Director*

**N M E James**  
*Director*

# Fairbairn Private Bank (IOM) Limited

## Notes to the abridged financial statements

(forming part of the abridged financial statements for the year ended 31 December 2009)

### 1 Basis of preparation

These abridged financial statements are derived from the audited annual financial statements of the Company for the year ended 31 December 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

### 2 Accounting policies

These abridged financial statements incorporate accounting policies that are consistent with those adopted in the Company's annual financial statements and with those of previous years.

### 3 Contingent liabilities and commitments

#### a) Commitments

The Company has no capital commitments at 31 December 2009 (2008: £Nil).

There are commitments outstanding that have been entered into during the normal course of business. These comprise unutilised client loan facilities of £7,352,000 (2008: £7,827,000).

#### b) Contingent liabilities

The Company has issued guarantees of £2,549,000 (2008: £3,952,000).

There are annual commitments under non-cancellable operating leases as follows:

	<b>Land and Buildings</b>		<b>Motor vehicles and equipment</b>	
	<b>2009</b>	2008	<b>2009</b>	2008
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Operating lease commitments:				
Within one year	<b>276</b>	276	-	7
Between two and five years	<b>1,104</b>	1,104	-	-
Greater than five years	<b>1,104</b>	1,380	-	-
	<b>2,484</b>	2,760	-	7

# Fairbairn Private Bank (IOM) Limited

## Notes to the abridged financial statements (continued)

(forming part of the abridged financial statements for the year ended 31 December 2009)

### 3 Contingent liabilities and commitments (continued)

All retail deposit-taking institutions in the Isle of Man are members of the statutory Isle of Man Depositors' Compensation Scheme under the Compensation of Depositors Regulations 2008 as amended by the Compensation of Depositors (Amendment) Regulations 2008 ("the Scheme").

The Scheme provides compensation to a maximum of 100% of the first £50,000 or currency equivalent of individual depositors and £20,000 in any other case, subject to a maximum of £200,000,000 for all participants, in the event of the failure of a participant institution to meet its obligations to depositors.

Such a failure triggers the payment of a levy by each participant calculated at 0.125% of average deposit liabilities over such period preceding the levying of the contribution as deemed appropriate by the Scheme Manager, with a minimum annual contribution of £35,000 and a maximum annual contribution of £350,000.

On 8 October 2008, the banking licence granted to Kaupthing Singer and Friedlander (Isle of Man) Limited ("Kaupthing S&F") was suspended and on 27 May 2009 Kaupthing S&F was placed into liquidation, thus triggering the provisions of the Scheme.

During the year the Company paid an initial contribution of £350,000 to the Scheme and has made a provision amounting to £700,000 in respect of estimated future contributions to the Scheme which may be required.

### 4 Loans and advances to group undertakings

	2009 £'000	2008 £'000
Fairbairn Private Bank Limited	19,251	74,946
Nedbank Limited – London Branch	12,612	29,937
	<u>31,863</u>	<u>104,883</u>

### 5 Investments in subsidiaries

Name	Activity	Holding	Place of incorporation	Cost £'000
Fairbairn Trust (IOM) Limited	Trust (Dormant)	100%	Isle of Man	500
Fairbairn Nominees (IOM) Limited	Nominee	100%	Isle of Man	2
Fairbairn Nominees (UK) Limited	Nominee	100%	Isle of Man	2
				<u>504</u>

# Fairbairn Private Bank (IOM) Limited

## Notes to the abridged financial statements (continued)

*(forming part of the abridged financial statements for the year ended 31 December 2009)*

### 6 **Ultimate holding company**

The Company's immediate parent undertaking is Fairbairn Private Bank Limited, a company incorporated in Jersey. The ultimate holding company is Old Mutual plc, which is incorporated in England and Wales.

### 7 **Audited financial statements**

A copy of the full audited financial statements is available on request at the Company's registered office.