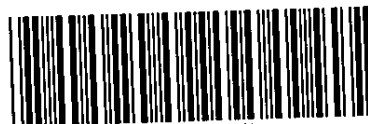


COMPANY REGISTRATION NUMBER SC309904

PBN KEARNEY LIMITED
ABBREVIATED ACCOUNTS
30 JUNE 2012

THURSDAY



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JNI

28/03/2013

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COMPANIES HOUSE

MANEELY Mc CANN

Chartered Accountants & Statutory Auditor
Aisling House
50 Stranmillis Embankment
Belfast
BT9 5FL

PBN KEARNEY LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2012

CONTENTS	PAGES
Independent auditor's report to the company	1 to 4
Abbreviated balance sheet	5
Notes to the abbreviated accounts	6 to 8

PBN KEARNEY LIMITED
INDEPENDENT AUDITOR'S REPORT TO PBN KEARNEY LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of PBN Kearney Limited for the year ended 30 June 2012 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

PBN KEARNEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO PBN KEARNEY LIMITED *(continued)*

UNDER SECTION 449 OF THE COMPANIES ACT 2006

OTHER INFORMATION

On 21 March 2013 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 396 of the Companies Act 2006 for the year ended 30 June 2012, and the full text of the company audit report is reproduced below:

"We have audited the financial statements of PBN Kearney Limited for the year ended 30 June 2012. 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 shareholders, 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 shareholders 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 shareholders 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 set out on pages 2 to 3, 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 (APB'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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

BASIS FOR QUALIFIED OPINION ON THE FINANCIAL STATEMENTS

With respect to the company's investment property having a carrying amount of £8.4 million, the evidence available to us was limited. The directors of the company have complied fully with the requirements of accounting standards in respect of this property and have valued the investment property to the best of their ability, at open market value as required by SSAP 19. However, in the current market conditions, we are unable to make an assessment of the accuracy of this valuation. Owing to the unstable nature of the current property environment, although the directors have valued the property held to the best of their ability, there is no active market from which we could make an assessment of its open market value and we were unable to obtain sufficient appropriate audit evidence regarding the valuation of the investment property by using other audit procedures.

Furthermore, with respect to the period end loan balances and loan interest payable, the audit evidence available to us was limited as we were unable to obtain sufficient appropriate audit evidence in relation to the loan balances payable at the period end and the loan interest payable in respect of same for the period. The directors have confirmed that they are in discussions with NAMA to agree long term loan facilities and given the forgoing, and as noted in the directors' report and note 3 to the financial statements, the precise value of the current loan balances will be determined when final agreement is reached with NAMA. Had this information been available to us we might have formed a

PBN KEARNEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO PBN KEARNEY LIMITED (continued)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

different opinion on the financial statements. We were unable to obtain sufficient appropriate audit evidence regarding the period end loan balances and loan interest payable by using other audit procedures.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis of the Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its loss for the period 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.

OPINION ON OTHER MATTERS 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

Arising from the limitation of our work referred to above:

- we have not received all the third party information and explanations we require for our audit.

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.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the disclosures made in note 1 to the financial statements. The note states that the company, as part of the PBN Holdings Limited Group of Companies, is dependent on the ongoing support of NAMA to enable it to realise the full carrying value of its assets at 30 June 2012. The directors have confirmed that NAMA continues to provide the PBN Holdings Limited Group of Companies with the requisite working capital support and they are in discussions with NAMA to agree long term loan facilities. Whilst the ultimate outcome of this cannot be assessed with certainty at this time, the directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

PBN KEARNEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO PBN KEARNEY LIMITED *(continued)*

UNDER SECTION 449 OF THE COMPANIES ACT 2006



CATHAL MANEELY (Senior Statutory Auditor)

For and on behalf of
MANEELY Mc CANN
Chartered Accountants
& Statutory Auditor

Aisling House
50 Stranmillis Embankment
Belfast
BT9 5FL

21 March 2013

PBN KEARNEY LIMITED

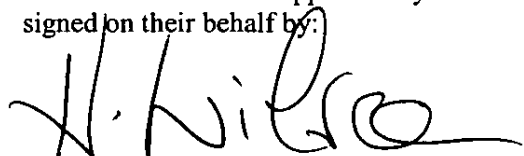
BALANCE SHEET

30 JUNE 2012

	Note	2012 £	2011 £
FIXED ASSETS	2		
Tangible assets		8,375,849	8,375,849
CURRENT ASSETS			
Debtors	3	108,145	136,806
Cash at bank and in hand		161,206	95,230
		269,351	232,036
CREDITORS: Amounts falling due within one year	4	8,569,322	8,529,719
NET CURRENT LIABILITIES		(8,299,971)	(8,297,683)
TOTAL ASSETS LESS CURRENT LIABILITIES		75,878	78,166
CREDITORS: Amounts falling due after more than one year		643,998	643,998
		(568,120)	(565,832)
CAPITAL AND RESERVES			
Called-up equity share capital	5	2	2
Profit and loss account		(568,122)	(565,834)
DEFICIT		(568,120)	(565,832)

These accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These accounts were approved by the directors and authorised for issue on 21 March 2013, and are signed on their behalf by:



H WILSON
Director

Company Registration Number: SC309904

The notes on pages 6 to 8 form part of these financial statements.

PBN KEARNEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents the amounts derived from rentals and service charges receivable on lettings to tenants.

Investment properties

Investment properties are revalued annually, surpluses arising thereon being credited to an investment property revaluation reserve. Deficits arising are charged to the Profit and Loss if not exceeded by previous revaluation surpluses.

No depreciation is charged on investment property interests. This constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their useful economic lives and is necessary to enable the financial statements to give a true and fair view, in accordance with Statement of Standard Accounting Practice No. 19 - Accounting for Investment Properties.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

PBN KEARNEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES *(continued)*

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the fact that the company had net current liabilities of £8,299,971 and a net shareholders' deficiency of £568,120 at the balance sheet date.

As stated in the Directors Report, the loan attached to this company's asset has been sold to the Republic of Ireland National Asset Management Agency (NAMA) as part of the Irish National Bank Asset Relief Scheme. The directors have produced and submitted to NAMA a long term comprehensive business plan for the PBN Holdings Limited Group of Companies, which includes PBN Kearney Limited, over the 10 year life of NAMA pursuant to the NAMA Act 2009 and based upon robust and prudent assumptions. The business plan incorporates a Source and Application of Funds Statement which demonstrates the directors' ability to realise the full carrying value of the asset as at 30 June 2012. Since the acquisition of the loan by NAMA, NAMA has provided the company with the requisite working capital support. The ongoing support of NAMA is fundamental to the continued application of the going concern assumption. The directors are currently in discussions with NAMA to agree long term loan facilities. The directors are of the opinion that at the time of approving the financial statements, the PBN Holdings Limited Group of Companies will have adequate resources to continue in operational existence for the foreseeable future. The directors therefore consider it appropriate that the financial statements for PBN Kearney Limited for the period ended 30 June 2012 be prepared on the going concern basis.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 July 2011 and 30 June 2012	8,375,849

DEPRECIATION	-

NET BOOK VALUE	
At 30 June 2012	8,375,849

At 30 June 2011	8,375,849

PBN KEARNEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

2. FIXED ASSETS *(continued)*

The Investment Property was professionally valued in November 2007 by BTW Shiells, Property Consultants, on the basis of an "Open Market Valuation" methodology pursuant to the principles of the "Red Book" valuations as stipulated by the Royal Institute of Chartered Surveyors.

On the accounting principles of Going Concern, the directors are of the opinion that the valuation of the investment property is not materially different to that shown in the accounts. The loan attached to this asset has been sold to the Republic of Ireland National Asset Management Agency (NAMA) as part of the Irish National Bank Asset Relief Scheme. The directors have produced and submitted to NAMA a long term comprehensive business plan for the PBN Holdings Limited Group of Companies, which includes PBN Kearney Limited, over the 10 year life of NAMA which demonstrates their ability to realise the carrying value of the investment property at 30 June 2012.

3. DEBTORS

Debtors include amounts of £Nil (2011 - £11,384) falling due after more than one year.

4. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2012	2011
	£	£
Loans and overdrafts	8,350,000	8,350,000

5. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
1,000 Ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid:

	2012		2011
	No	£	No
	2	2	2
2 Ordinary shares of £1 each	2	2	2