

NEON CAPITAL PARTNERS LIMITED

Registered number 07155521

Directors' Report and Financial Statements

For the year ended 31 March 2012

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NEON CAPITAL PARTNERS LTD

Company Information

Directors, Secretary, Registered Office and Advisers

Directors	Barrie S Hensby, <i>Director</i>	
	Andrew T G Burton, <i>Director</i> (appointed 22 March 2012)	
	Geoffrey C B Thomson, <i>Director</i> (appointed 22 March 2012)	
	Aileen Brown, <i>Director</i> (appointed 22 March 2012)	
	Gerald White, <i>Director</i> (resigned 23 March 2012)	
	Emma R O'Rourke, <i>Director</i> (resigned 23 March 2012)	
	Craig Hopwood, <i>Director</i> (resigned 23 March 2012)	
	Marion Bernard, <i>Director</i> (resigned 30 September 2011)	
Secretary	Aileen Brown (appointed 22 March 2012)	
	Emma R O'Rourke (resigned 23 March 2012)	
Registration number	07155521 (England and Wales)	
Registered office	Metic House Ripley Drive Normanton West Yorkshire WF6 1QT Telephone +44 (0) 1924 227200	
Advisers	Principal Bankers	Bankers
	HSBC Bank plc 76 Hanover Street Edinburgh EH2 1HQ	Barclays Bank plc 71 Grey Street Newcastle upon Tyne NE99 1JP
	Auditors Grant Thornton UK LLP 1-4 Atholl Crescent Edinburgh EH3 8LQ	

Directors' Report

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2012

Acquisition

On 22 March 2012 the Company was acquired by Braveheart Investment Group plc

Principal activity and business review

The principal activity of the Company is to act as fund manager of Finance Yorkshire Equity GP Ltd. The fund management contract was novated to Neon Capital Partners Ltd from NorthStar Equity Investors Ltd on 22 March 2012. The Company was dormant throughout the financial year ending 31 March 2011 and to the period to 22 March 2012.

Results and dividends

The profit for the year after taxation amounted to £14,165 (2011: £nil) which has been transferred to reserves.

The directors do not recommend the payment of a dividend for the year (2011: £nil).

The Company is authorised and regulated by the Financial Services Authority (effective 1 July 2011).

Share capital

The entire issued ordinary share capital of the Company is held by Braveheart Investment Group plc. Neon Capital Partners Ltd owns 100% of the issued share capital of Finance Yorkshire Equity GP Ltd.

No shares in the Company or any rights to subscribe for, or convert any security into, shares in the Company shall at any time be allotted, issued or transferred without prior written consent of a shareholder majority.

Appointment and replacement of directors

The Company may by ordinary resolution appoint a person who is willing to act as a director, either to fill a vacancy or in addition to the existing directors. The holders of the shareholder majority may at any time, and from time to time, appoint any person to be a director of the Company or remove from office any director. The directors who served the Company during the year are set out on page 1.

Directors are not required to retire by rotation.

Directors' interests

No director has any beneficial interest in the share capital of the Company.

Key performance indicators (KPIs)

The KPIs we use to monitor business performance, which given the nature of our business are primarily financial measures, are

	2012	2011
Net assets (£000)	322	-
Cash balance (£000)	20	-
Profit after tax (£000)	14	-

Charitable and political donations

No charitable or political donations have been made during either financial year.

Financial instruments

The Company's financial instruments comprise cash, trade and other receivables and trade payables that arise directly from its operations

Financial risk management

Through its normal operations the Company is exposed to a number of financial risks, namely credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks as detailed in note 12

Going concern

The directors have reviewed the Company's budgets and plans and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements

Creditor payment policy

The Company's policy is to

- a) agree payment terms with each supplier when placing orders
- b) adhere to the agreed terms

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards (IFRS) as adopted by the European Union

The directors are required to prepare financial statements for each financial year, which give a true and fair view of the financial position of the Company and the financial performance and cash flow of the Company for that year. In preparing those financial statements, the directors are required to

- 1 select suitable accounting policies and then apply them consistently,
- 2 present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- 3 provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance,
- 4 state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements,
- 5 prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business, and
- 6 make judgements and estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records which 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.

Disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

Deloitte LLP resigned as auditor and Grant Thornton UK LLP were appointed on 22 March 2012. A resolution proposing the reappointment of Grant Thornton UK LLP will be put to the shareholders at the forthcoming Annual General Meeting.

By order of the Board



Aileen Brown

Company Secretary

12 July 2012

Independent Auditors' Report to the Members of Neon Capital Partners Ltd

We have audited the financial statements of Neon Capital Partners Ltd for the year ended 31 March 2012 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the European Union, 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

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.

Grant Thornton UK LLP

Robert Hannah
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
EDINBURGH
12 July 2012

NEON CAPITAL PARTNERS LTD

Statement of Comprehensive Income
for the year ended 31 March 2012

	Notes	2012 £	2011 £
Revenue	3	24,798	-
Total income		24,798	-
Employee benefits expense	4	(10,608)	-
Operating costs		(25)	-
Total costs		(10,633)	-
Profit before tax		14,165	-
Tax	5	-	-
Profit and total comprehensive profit for the period attributable to holders of the parent		14,165	-

During the financial year to 31 March 2011, the Company received no income and incurred no expenditure. Consequently, the Company made neither a profit nor a loss.

The accompanying accounting policies and notes form part of these financial statements.

NEON CAPITAL PARTNERS LTD

Statement of Financial Position
as at 31 March 2012

	Notes	2012 £	2011 £	2010 £
ASSETS				
Non-current assets				
Investments		1	-	-
Property, plant and equipment	6	753	-	-
		<u>754</u>	<u>-</u>	<u>-</u>
Current assets				
Trade and other receivables	7	312,808	1	1
Cash and cash equivalents	8	19,966	-	-
		<u>332,774</u>	<u>1</u>	<u>1</u>
Total assets		<u>333,528</u>	<u>1</u>	<u>1</u>
LIABILITIES				
Current liabilities				
Trade and other payables	9	(11,362)	-	-
		<u>(11,362)</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>(11,362)</u>	<u>-</u>	<u>-</u>
Net assets		<u>322,166</u>	<u>1</u>	<u>1</u>
EQUITY				
Called up share capital	10	20,001	1	1
Capital contribution		288,000	-	-
Retained earnings		14,165	-	-
Total equity		<u>322,166</u>	<u>1</u>	<u>1</u>

Registered number 07155521 (England and Wales)

Approved for issue by the Board of Directors on 12 July 2012 and signed on its behalf by



Geoffrey C B Thomson
Director

The accompanying accounting policies and notes form part of these financial statements

NEON CAPITAL PARTNERS LTD

Statement of Cash Flows
for the year ended 31 March 2012

	2012 £	2011 £
Operating activities		
Profit before taxation	14,165	-
Adjustments to reconcile loss before taxation to net cash flows from operating activities		
Increase in investment	(1)	
Increase in trade and other receivables	(312,807)	-
Increase in trade and other payables	11,362	-
Net cash flow from operating activities	<u>(287,281)</u>	<u>-</u>
Investing activities		
Purchase cost of property, plant and equipment	(753)	-
Net cash flow from investing activities	<u>(753)</u>	<u>-</u>
Financing activities		
Proceeds from issue of ordinary shares	20,000	-
Proceeds from capital contribution	288,000	-
Net cash flow from financing activities	<u>308,000</u>	<u>-</u>
Net increase in cash and cash equivalents	19,966	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	<u>19,966</u>	<u>-</u>

The accompanying accounting policies and notes form part of these financial statements

NEON CAPITAL PARTNERS LTD

Statement of Changes in Equity for the year ended 31 March 2012

	Share Capital £	Capital Contribution £	Retained Earnings £	Total £
At 31 March 2011	1	-	-	1
Issue of ordinary share capital	20,000	-	-	20,000
Capital contribution	-	288,000	-	288,000
Transactions with owners	20,000	288,000	-	308,000
Profit and total comprehensive profit for the year	-	-	14,165	14,165
At 31 March 2012	20,001	288,000	14,165	322,166

The accompanying accounting policies and notes form part of these financial statements

NEON CAPITAL PARTNERS LTD

Notes to the Financial Statements For the year ended 31 March 2012

1 Corporate information

The financial statements of Neon Capital Partners Ltd for the year ended 31 March 2012 were authorised for issue by the Board of the Directors on 12 July 2012 and the statement of financial position was signed on the Board's behalf by Geoffrey Thomson

On 22 March 2012, the Company was acquired by Braveheart Investment Group plc

Neon Capital Partners Ltd is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of its operations and its principal activity are set out in the Directors' Report. The Company is registered in England and Wales.

2 Accounting policies

(a) Basis of preparation

These are the Company's first financial statements prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS 1 First-time adoption has been applied. The transition disclosures required by IFRS 1 concerning the transition from UK Generally Accepted Accounting Principles (UK GAAP) to IFRS are set out in note 13. The date of transition is 1 April 2010, this being the beginning of the first IFRS reporting period.

The directors have reviewed the Company's budgets and plans and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis in preparing the financial statements.

The financial statements have been prepared on a historical cost basis, except where otherwise indicated. The financial statements are presented in sterling and all values are rounded to the nearest pound (£) except where otherwise indicated.

(b) Statement of compliance

The financial statements of Neon Capital Partners Ltd have been prepared in accordance with IFRS as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out in the following notes.

The Company is required to establish IFRS accounting policies as at 31 March 2012 and to apply these retrospectively in the determination of the prior period comparatives from 1 April 2010. The accounting policies set out below have been applied consistently to all of the periods covered in the financial information.

(c) Revenue recognition and segmental reporting

Revenue is recognised at the fair value of the consideration received or receivable on fee income. Fees are recognised as that service is provided.

Interest income is recognised using the effective interest method. Interest income is interest earned on bank deposit accounts.

The business is regarded as one segment due to the nature of services provided and the methods used to provide these services. All operations are conducted in the United Kingdom.

NEON CAPITAL PARTNERS LTD

Notes to the Financial Statements For the year ended 31 March 2012

(d) Taxation

Current tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expenses that are deductible in other periods and it further excludes items that are never taxable or deductible. The Company's assets and liabilities for current tax are calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits (temporary differences) and is accounted for using the liability method.

A deferred tax asset or liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax asset or liability arises from (a) the initial recognition of goodwill, (b) the initial recognition of an asset or liability in a transaction which (i) is not a business combination and (ii) at the time of the transaction, affects neither accounting profit/(loss) nor taxable profit/(loss) or (c) relates to investment in subsidiaries, except to the extent that (i) parent is able to control timing of reversal and (ii) it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates and laws that have been enacted or substantively enacted by the reporting date.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment.

Depreciation has been provided on the following basis annually:

Computer equipment	33 3% straight line
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The carrying value of assets and their useful lives are reviewed at each reporting date and if an indication of impairment exists, the assets will be written down to their recoverable amount and the impairment charged to the statement of comprehensive income in the period in which it arises.

(f) Financial assets

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. Financial assets are derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all the risks and rewards of the asset.

- Trade receivables

Trade receivables are initially recognised at fair value which is normally the invoice value in short term receivables. Thereafter the receivables are carried at amortised cost. Provision is made where there is objective evidence that a balance will not be recovered in full in accordance with the instruments original terms. An impairment calculation is based on a comparison between the carrying amount and the net present value of expected future cash flows, discounted by the original effective rate.

- Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term bank deposits.

(g) Financial liabilities

Financial liabilities, which comprise trade and other payables, are initially recognised at fair value and are carried at amortised cost.

NEON CAPITAL PARTNERS LTD

Notes to the Financial Statements For the year ended 31 March 2012

(h) Share capital

Financial instruments issued by the Company are treated as equity if the holders have only a residual interest in the Company's assets after deducting all liabilities. The Company considers its capital to comprise its share capital and retained earnings.

The Company is subject to capital requirements imposed by the Financial Services Authority and as such must ensure that it has sufficient capital to satisfy these requirements. The Company ensures it remains compliant with these requirements imposed by the Financial Services Authority.

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern,
- to ensure a sufficient cash balance is maintained

The Company continuously monitors rolling cash flow forecasts to ensure sufficient cash is available for anticipated cash requirements. Further information regarding Group capital management policies are disclosed in the consolidated financial statements of Braveheart Investment Group plc.

3 Revenue

Revenue is attributable to the principal activity of the Company. All revenue arose within the United Kingdom.

	2012	2011
	£	£
Fund management income	24,798	-
	<u>24,798</u>	<u>-</u>

4 Employee benefits expense

	2012	2011
	£	£
Salaries	10,608	-
	<u>10,608</u>	<u>-</u>

The average number of employees (including directors) was as follows

No	No
<u>4</u>	<u>4</u>

All of the Company's employees work within management and administration. Prior to the acquisition, employee costs and audit fees were borne by NorthStar Equity Investors Ltd.

Further information on directors' remuneration can be found in the consolidated financial statements of Braveheart Investment Group plc.

NEON CAPITAL PARTNERS LTD

Notes to the Financial Statements For the year ended 31 March 2012

5 Taxation on profit on ordinary activities

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2012 or for the year ended 31 March 2011

	2012 £	2011 £
Reconciliation of total tax:		
Profit before tax	14,165	-
Tax at the rate of 20%	2,833	-
Disallowed expenses	-	-
Depreciation in excess of capital allowances	-	-
Unutilised tax losses	(2,833)	-
Total tax reported in the statement of comprehensive income	-	-

6 Property, plant and equipment

	Computer equipment £	Total £
Cost		
At 31 March 2011	-	-
Additions	753	753
At 31 March 2012	753	753
Accumulated depreciation		
At 31 March 2011	-	-
At 31 March 2012	-	-
Net Book Value		
At 31 March 2012	753	753

7 Trade and other receivables

	2012 £	2011 £
Trade and other receivables	24,808	-
Amounts due from related parties	288,000	-
	312,808	-

Due to the short-term maturity of trade receivables, the directors consider the carrying amounts to approximate their fair value. All receivables are non-interest bearing and unsecured.

8 Cash and cash equivalents

	2012 £	2012 £
Cash at bank and on hand	19,966	-

Cash balances are held with HSBC Bank plc and Barclays Bank plc and earn interest at floating rates based on daily bank deposit rates.

NEON CAPITAL PARTNERS LTD

Notes to the Financial Statements For the year ended 31 March 2012

9 Trade and other payables

	2012	2012
	£	£
Trade and other payables	11,362	-
	<u>11,362</u>	<u>-</u>

Due to the short-term maturity of trade payables, the directors consider the carrying amounts to approximate their fair value. Trade payables are non-interest bearing and are normally settled on 30-day terms.

10 Share capital

	2012	2011
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
20,001 ordinary shares of £1 each (2011: 1 ordinary share of £1 each)	20,001	1

During the year ended 31 March 2012, 20,000 ordinary shares (2011: £nil) of £1 each, with an aggregate nominal value of £20,000 (2011: £nil), were allotted for cash.

No shares in the Company or any rights to subscribe for, or convert any security into, shares in the Company shall at any time be allotted, issued or transferred without prior written consent of a shareholder majority.

The Company is subject to capital requirements imposed by the Financial Services Authority and as such must ensure that it has sufficient capital to satisfy these requirements. The Company ensures it remains compliant with these requirements as described in the Directors' Report, note 2 and note 12.

The entire issued ordinary share capital of the Company is held by Braveheart Investment Group plc.

11 Related party disclosure

The Company's parent entity is Braveheart Investment Group plc. Finance Yorkshire Equity GP Ltd is a wholly owned subsidiary of Neon Capital Partners Ltd.

Copies of the consolidated financial statements of Braveheart Investment Group plc are available from the Registered Office at The Cherrybank Centre, Cherrybank Gardens, Perth, PH2 0PF.

NEON CAPITAL PARTNERS LTD

Notes to the Financial Statements For the year ended 31 March 2012

12 Financial risk management objectives and policies

The Company's financial instruments comprise cash and various items such as trade and other receivables and trade payables, all of which arise directly from its normal operations.

The carrying values of the Company's financial instruments approximate their fair values at 31 March 2012. The Accounting Policies described in note 2 outline how the financial instruments are measured

An analysis of the statement of financial position, relevant to an analysis of risk management, is as follows

	Loans and receivables £	Non-financial assets £	Total £
2012			
Trade and other receivables	312,808	-	312,808
Cash and cash equivalents	19,966	-	19,966
	<u>332,774</u>	<u>-</u>	<u>332,774</u>

	Other financial liabilities at amortised cost £	Liabilities not within the scope of IAS 39 £	Total £
2012			
Trade and other payables	11,362	-	11,362
	<u>11,362</u>	<u>-</u>	<u>11,362</u>

(a) Risk Management Objectives and Policies

The Company is a subsidiary of Braveheart Investment Group plc, which manages risk on a group basis

Risk management is the responsibility of the Risk Management Group (RMG), which comprises the three executive directors. The RMG reports to the Audit and Risk Management Committee (ARC), which is responsible to the Board for ensuring that procedures are in place, and are being effectively implemented to identify, evaluate and manage the significant risks faced by the Company. A risk assessment matrix sets out those risks, and identifies their ownership and the controls that are in place. The RMG updates this matrix as changes arise in the nature of risks or the controls that are implemented to mitigate them. The ARC reviews the risk matrix and the effectiveness of scenario testing by the RMG on a regular basis.

Further information on group risk management can be found in the consolidated financial statements of Braveheart Investment Group plc

NEON CAPITAL PARTNERS LTD

Notes to the Financial Statements For the year ended 31 March 2012

12 Financial risk management objectives and policies (continued)

Credit risk

Credit risk arises from the exposure to the risk of loss if the counterparty fails to perform its financial obligations to the Company. The Company's financial assets predominantly comprise cash and various items such as trade receivables. In accordance with its Treasury Policy, the Company seeks to mitigate this risk on cash and cash equivalents by placing funds only with banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk within any of its other financial assets. Included within such other financial assets are balances which are past due at the reporting date for which the Company has not provided as there has not been a significant change in their credit quality and which the Company believes are fully recoverable. The age profile of the Company's other financial assets is as follows:

	Neither past due nor impaired £	Less than 3 months £	3 to 12 months £	More than 1 year £	Total £
2012					
Trade receivables	24,808	-	-	-	24,808
Other receivables	288,000	-	-	-	288,000
	<u>312,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,808</u>

The Company considers it has negligible exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company seeks to manage its liquidity risk by holding sufficient cash reserves to meet foreseeable needs, and by investing cash assets safely. The Company continuously monitors rolling cash flow forecasts to ensure sufficient cash is available for anticipated cash requirements and, in accordance with its Treasury Policy, the Company only invests cash assets with reputable counterparties.

The maturity profile of the Company's financial liabilities is as follows:

	On demand £	Less than 3 months £	3 to 12 months £	More than 1 year £	Total £
2012					
Trade and other payables	11,362	-	-	-	11,362
	<u>11,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,362</u>

Market risk

Market risk is the risk that changes in market conditions such as equity prices, interest rates and foreign exchange rates will have an adverse impact on the Company's financial position or results.

NEON CAPITAL PARTNERS LTD

Notes to the Financial Statements For the year ended 31 March 2012

12 Financial risk management objectives and policies (continued)

Interest rate risk

The cash balance held by the Company attracts variable interest rates determined with reference to the bank interest rate. The Company's other financial instruments are non-interest bearing.

The interest rate profile of the financial instruments of the Company is as follows:

	Fixed rate	Variable rate	Interest free	Total
	£	£	£	£
2012				
Financial assets				
Cash and cash equivalents	-	19,966	-	19,966
Other financial assets	-	-	312,808	312,808
	-	19,966	312,808	332,774
Financial liabilities				
Trade and other payables	-	-	11,362	11,362
	-	-	11,362	11,362

It is estimated that the maximum effect of a one percentage point (100 basis points) fall in interest rates to which the Company is exposed would be a decrease in profit before tax for the period ended 31 March 2012 of £200.

Equity price risk and Foreign currency risk

The Company is not exposed to either equity price risk or foreign currency risk.

13 Explanation of transition to IFRS for the Company

For all periods up to and including the year ended 31 March 2011, the Company had previously prepared its financial statements in accordance with UK Generally Accepted Accounting Principles (UK GAAP).

The Company has prepared financial statements which comply with IFRS applicable for periods beginning on or after 1 April 2010, and the significant accounting policies meeting those requirements are described in note 2. In preparing these financial statements, the Company has started from an opening statement of financial position as at 31 March 2010, the Company's date of transition to IFRS and made those changes in accounting policies and other restatements required by IFRS 1 for the first time adoption of IFRS. This note explains the principal adjustments made by the Company in restating its UK GAAP statement of financial position and its previously published UK GAAP financial statements for the year ended 31 March 2011. The transition balance sheet under IFRS is 1 April 2010 which has also been presented in the statement of financial position.

The Company has not taken any exemptions allowed under IFRS 1 for first time adopters.

There are no material adjustments to the cash flow statements resulting from the transition to IFRS. However, the presentation of the cash flow statements has changed whereby cash flows are classified as operating, investing or financing.

NEON CAPITAL PARTNERS LTD

**Notes to the Financial Statements
For the year ended 31 March 2012**

13 Explanation of transition to IFRS for the Company (continued)

The key difference between UK GAAP and IFRS is

(a) Deferred tax adjustment

Under IFRS, a deferred tax asset or liability is recognised on the changes in fair value of investments

Reconciliation of equity from previously reported UK GAAP to IFRS

	1 April 2010
	£
Equity previously reported under UK GAAP	1
Deferred tax adjustment	-
Equity reported under IFRS	<u>1</u>

Reconciliation of total comprehensive income from previously reported UK GAAP to IFRS

	31 March 2011
	£
Loss after tax for the period as previously reported under UK GAAP	-
Deferred tax adjustment	-
Profit after tax for the period reported under IFRS	<u>-</u>