

Registered number: 5289187

RED LEOPARD HOLDINGS PLC

CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2005



RED LEOPARD HOLDINGS PLC

COMPANY INFORMATION

DIRECTORS

C S Russell
R M Coe
S G Thomson

SECRETARY

R M Coe

COMPANY NUMBER

5289187

REGISTERED OFFICE

233-237 Old Marylebone Road
London
NW1 5QT

AUDITORS

Mazars LLP
8 New Fields
2 Stinsford Road
Nuffield
Poole
Dorset
BH17 0NF

BANKERS

Barclays Bank Plc
Pall Mall Corporate Group
50 Pall Mall
London

**NOMINATED ADVISORS AND
BROKERS**

Corporate Synergy Plc
30 Old Broad Street
London
EC2N 1HT

SOLICITORS

Howard Kennedy
19 Cavendish Square
London
W1A 2AW

RED LEOPARD HOLDINGS PLC

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RED LEOPARD HOLDINGS PLC

CHAIRMAN'S STATEMENT For the period ended 31 December 2005

I am pleased to present the first full financial statements of the Group for the period from incorporation of Red Leopard Holdings plc ("Red Leopard" or "the Company") on 17 November 2004 to 31 December 2005.

The results for the period comprise those of Red Leopard and its wholly owned subsidiary Harrell Hotels (Europe) Ltd ("Harrell Hotels") (together the "Group"), which it bought at the same time as the company was admitted to AIM in March 2005.

Although income for the period was Nil and the loss after tax amounted to £320,055, the Company has been active on several fronts since its arrival on AIM. It now holds strategic investments in another AIM group specialising in venue management technologies, and in a company providing a web-based technology platform for the conveyancing sector.

These successful early moves reflect the Group's long term objective to become a strategic investor in a range of businesses that the Board identifies as offering strong growth potential.

The Group's net asset value at 31 December 2005 was £1,896,470 and cash balances amounted to £549,802.

The Directors' do not propose paying a dividend.

In February 2005, prior to Red Leopard being admitted to AIM, the Company raised £1.45 million before expenses (£1.14 million after expenses of admission, the acquisition and the offer for subscription). At the same time as admission to AIM the Company bought the entire issued share capital of Harrell Hotels to take advantage of the opportunities available in the hospitality markets in the United Kingdom and Europe. Harrell Hotels' first planned project involved a new build development at North Brentford Quarter West London where the Group hopes to operate a hotel and an aparthotel for Marriott Courtyard. While we are continuing to negotiate acceptable terms with Barratt Homes to take account of unforeseen planning issues, I am also pleased to confirm that we are at the same time in active discussions over a further three hotel development sites for the Courtyard by Marriott development programme in the UK.

During the year the Group made two strategic investments. In October 2005 the Group invested £150,000 for a 3% interest in Venue Solutions Ltd, a company which specialises in the provision of venue management technologies and services. In December 2005 Venue Solutions Ltd listed on AIM at 26.5p and the Group now owns 799,000 ordinary shares in Venue Solutions Holdings plc, the newly incorporated holding company created for the flotation. The Group was also granted options over a further 449,450 ordinary shares at 33.5p exercisable up to 9 November 2006. In addition there are further options to which the Group is entitled, granted by a previous owner of shares in Venue Solutions Ltd, entitling it to a further 665,850 ordinary shares at prices between 30p and 50p per share exercisable up to October 2007. I am happy to report that Venue Solutions Ltd has been making good progress this year in delivering its business plan.

The Group has also invested £50,000 in Convex Conveyancing Ltd which is a bulk web conveyancing platform with opportunities for creating economies of scale in a fragmented conveyancing market. Convex Conveyancing Ltd has established a sophisticated customer facing and transparent IT platform and is already acting for mortgage brokers on their conveyancing needs. The investment is in the form of a loan and entitles the Group, for a period of two years from October 2005, to take up approximately 5% of the issued share capital. The intention is for Convex Conveyancing Ltd to float on AIM as soon as is practically possible.

RED LEOPARD HOLDINGS PLC

CHAIRMAN'S STATEMENT
For the period ended 31 December 2005

As you can see the Group has been active on a number of fronts since being admitted to AIM. Although progress on the original North Brentford Quarter has been slower than expected we have, at the same time, made progress on a number of other initiatives.

I believe that we are now involved in a number of exciting projects and I look forward to reporting further progress on all of these when I next communicate with you.

Lastly I would like to take this opportunity of thanking our small but dedicated team who have worked hard on the Group's behalf during the period.

C S Russell
Chairman

RED LEOPARD HOLDINGS PLC

DIRECTORS' REPORT For the period ended 31 December 2005

The directors present their report and the audited financial statements for the period from 17 November 2004 to 31 December 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company was incorporated on 17 November 2004. The company was established with the intention of acquiring other businesses.

The directors note the performance of the company during the year and anticipate the company becoming profitable in future periods.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £320,055.

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the period and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £0.002 each	
	<u>2005</u>	<u>2004</u>
R M Coe (appointed 17/11/04)	10,000,000	10,000,000 *
C S Russell (appointed 8/06/05)	-	-
S G Thomson (appointed 17/11/04)	5,000,000	5,000,000 *

(* held on date of appointment)

ADDITIONAL INFORMATION RELATING TO THE DIRECTORS

The directors' other interests in or contracts with the company during the period are disclosed in Note 21 to the financial statements.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

It is the company's policy to agree the terms of transactions, including payment terms, with suppliers and that payment is made accordingly. At 31 December 2005 the average creditor payment period was 50 days.

RED LEOPARD HOLDINGS PLC

DIRECTORS' REPORT For the period ended 31 December 2005

SUBSTANTIAL SHAREHOLDERS OTHER THAN DIRECTORS

At the date of approval of these financial statements the following interests of 3% or more in the issued share capital of the company appeared in the register maintained under the provisions of section 211 of the Companies Act 1985.

Name	Shareholding	Ordinary shares
Baskerville Holdings Limited	6.3%	13,800,000
Everychild	10.0%	22,000,000
Harrell Hospitality Group Inc.	13.9%	30,769,230
J M Finn Nominees Limited	12.1%	26,666,667
Roman Catholic Cathedral of East Anglia Preservation and Development Trust	4.5%	10,000,000
Strand Nominees Limited	13.7%	30,333,333
Mr Mark Christopher Tellwright	6%	13,333,333

AUDITORS

Mazars LLP were appointed auditors to the company in accordance with section 385 of the Companies Act 1985. A resolution proposing that they be appointed will be submitted in the forthcoming Annual General Meeting.

This report was approved by the board on 20 June 2006 and signed on its behalf.


.....
R M Coe
Director

RED LEOPARD HOLDINGS PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RED LEOPARD HOLDINGS PLC

We have audited the financial statements of Red Leopard Holdings Plc for the period ended 31 December 2005 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company's Balance Sheet, the Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the Group is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

RED LEOPARD HOLDINGS PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RED LEOPARD HOLDINGS PLC

OPINION

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's and the group's affairs as at 31 December 2005 and of the group's loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars LLP
.....
Mazars LLP

Chartered Accountants
and Registered Auditors
8 New Fields
2 Stinsford Road
Nuffield
Poole
Dorset
BH17 0NF

Date: *20 June 2006*
.....

RED LEOPARD HOLDINGS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the period ended 31 December 2005

	Note	Period ended 31 December 2005 £
Administrative expenses		(347,734)
Continuing operations		(192,827)
Acquisitions		(154,907)
OPERATING LOSS	2	(347,734)
Interest receivable		27,705
Interest payable	5	(26)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(320,055)
TAX ON LOSS ON ORDINARY ACTIVITIES	6	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		£ (320,055)
LOSS PER SHARE - basic and diluted	7	(0.15)p

The company was incorporated on 17 November 2004.

There were no recognised gains and losses for the period other than those included in the profit and loss account.

The notes on pages 11 to 22 form part of these financial statements.

RED LEOPARD HOLDINGS PLC
CONSOLIDATED BALANCE SHEET
As at 31 December 2005

		31 December 2005
	Note	£ £
FIXED ASSETS		
Intangible fixed assets	8	2,415,702
Tangible fixed assets	9	957
Investments	10	150,000
		<u>2,566,659</u>
CURRENT ASSETS		
Debtors	11	65,206
Cash at bank and in hand		549,802
		<u>615,008</u>
CREDITORS: amounts falling due within one year	12	<u>(35,197)</u>
NET CURRENT ASSETS		<u>579,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,146,470</u>
CREDITORS: amounts falling due after more than one year	13	<u>(1,250,000)</u>
NET ASSETS		<u><u>£ 1,896,470</u></u>
CAPITAL AND RESERVES		
Called up share capital	14	441,198
Share premium account	15	1,775,327
Profit and loss account		(320,055)
	16	<u>£ 1,896,470</u>
EQUITY SHAREHOLDERS' FUNDS		<u><u>£ 1,896,470</u></u>

The financial statements were approved by the board on 20 June 2006 and signed on its behalf.


C S Russell
 Director

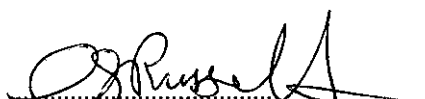
The notes on pages 11 to 22 form part of these financial statements.

RED LEOPARD HOLDINGS PLC

COMPANY BALANCE SHEET
As at 31 December 2005

			31 December 2005
	Note	£	£
FIXED ASSETS			
Investments	10		2,802,116
CURRENT ASSETS			
Debtors	11	89,959	
Cash at bank		528,285	
		<u>618,244</u>	
CREDITORS: amounts falling due within one year	12	<u>(25,277)</u>	
NET CURRENT ASSETS			592,967
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,395,083</u>
CREDITORS: amounts falling due after more than one year	13		<u>(1,250,000)</u>
NET ASSETS			<u>£ 2,145,083</u>
CAPITAL AND RESERVES			
Called up share capital	14		441,198
Share premium account	15		1,775,327
Profit and loss account			<u>(71,442)</u>
EQUITY SHAREHOLDERS' FUNDS	16		<u>£ 2,145,083</u>

The financial statements were approved by the board on 20 June 2006 and signed on its behalf.


C S Russell
Director

The notes on pages 11 to 22 form part of these financial statements.

RED LEOPARD HOLDINGS PLC
CONSOLIDATED CASH FLOW STATEMENT
For the period ended 31 December 2005

	Note	Period ended 31 December 2005 £
Net cash flow from operating activities	17	(79,628)
Returns on investments and servicing of finance	18	27,679
Capital expenditure and financial investment	18	(151,210)
Acquisitions and disposals	18	(463,564)
CASH OUTFLOW BEFORE FINANCING		(666,723)
Financing	18	1,216,525
INCREASE IN CASH IN THE PERIOD		£ 549,802

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
For the period ended 31 December 2005

	Period ended 31 December 2005 £
Increase in cash in the period	549,802
MOVEMENT IN NET DEBT IN THE PERIOD	549,802
Net funds at 17 November 2004	-
NET FUNDS AT 31 DECEMBER 2005	£ 549,802

The notes on pages 11 to 22 form part of these financial statements.

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 December 2005

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The financial statements have been prepared on the going concern basis as the directors believe there are sufficient cash resources to continue trading for at least twelve months from the date of approval of these financial statements.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Red Leopard Holdings Plc and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the period are included from the date control was acquired.

1.3 Investments

(i) Subsidiary Undertakings

Shares in subsidiaries are valued at cost less provision for permanent impairment.

(ii) Other investments

Investments held as fixed assets are shown at cost less provisions for their permanent impairment.

1.4 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss over its estimated economic life.

No impairment of goodwill is deemed necessary by the directors.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fittings and equipment	-	33%	straight line
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1.7 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss as incurred.

1.8 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences. The deferred tax balance has not been discounted.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2005

1.9 Segmental reporting

In view of the group's current levels of activity, segmental reporting is not deemed to be appropriate.

2. OPERATING LOSS

The operating loss is stated after charging:

	Period ended 31 December 2005 £
Amortisation - intangible fixed assets	94,118
Depreciation of tangible fixed assets:	
- owned by the company	253
Auditors' remuneration	10,000
Auditors' remuneration - non-audit	623
Operating lease rentals:	
- other operating leases	11,031
	<hr/> <hr/>

Auditors' remuneration for the company is £5,000.

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	Period ended 31 December 2005 £
Wages and salaries	66,218
Social security costs	1,778
	<hr/>
	£ 67,996
	<hr/> <hr/>

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 31 December 2005 No.
Directors	3
Administrative	1
	<hr/>
	4
	<hr/> <hr/>

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2005

4. DIRECTORS' REMUNERATION

Period ended
31 December
2005
£

Emoluments	£ 48,643
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The company has granted options ("Options") to the following directors to subscribe for ordinary shares equal in aggregate to 4% of the issued share capital of the company (which in this case include these options that are to be issued) as at the earlier of the date of exercise or the date eighteen months after admission to AIM:

- R M Coe: Options of 2%
- S G Thomson: Options of 2%

The Options may be exercisable at any time within a ten year period from the date of grant. The exercise price of the Options is 0.2 pence per option share.

Until the Options have been exercised in full, the consent of the optionholders is required if the company proposes to issue a class of share with preferential rights to the ordinary shares.

No retirement benefits were accruing to directors at 31 December 2005.

5. INTEREST PAYABLE

Period ended
31 December
2005
£

On bank loans and overdrafts	£ 26
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RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 December 2005

6. TAXATION

Period ended
31 December
2005
£

Analysis of tax charge in period

Tax on profit on ordinary activities

£ -

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK applicable to the group (30%). The differences are explained below:

Period ended
31 December
2005
£

Loss on ordinary activities before tax

(320,055)

Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%

(96,017)

Effects of:

Expenses not deductible for tax purposes

28,641

Capital allowances for period in excess of depreciation

31

Tax losses created in period

67,345

Current tax charge for period (see note above)

£ -

Factors that may affect future tax charges

The group has tax losses carried forward of £784,883 that are available for offset against future taxable profit.

A deferred tax asset of £235,465 for tax losses has not been recognised as in the opinion of the directors there will be no suitable taxable profit available in the foreseeable future.

7. LOSS PER SHARE

The calculation of basic loss per ordinary share for the period is based on the loss of £320,055 and 220,599,230 ordinary shares.

The calculation does not take account of further shares to be issued to Harrell Hospitality Group, Inc., resulting from the acquisition of Harrell Hotels (Europe) Limited on the basis that these shares to be issued are conditional providing Harrell Hospitality Group, Inc. brings to the company within three years of admission to AIM three hospitality business opportunities and one non-hospitality business opportunity which the directors deem feasible.

In accordance with Financial Reporting Standard 22 these conditional shares (see note 14) have been excluded from the calculation of diluted Earnings Per Share on the basis that inclusion of the conditional shares would reduce the loss per share.

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2005

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
Additions	2,509,820
At 31 December 2005	<u>2,509,820</u>
Amortisation	
Charge for the period	94,118
At 31 December 2005	<u>94,118</u>
Net book value	
At 31 December 2005	<u><u>£ 2,415,702</u></u>

Goodwill arising on the acquisition of Harrell Hotels (Europe) Limited on 31 March 2005 is being amortised over 20 years. In the opinion of the directors, this represents a prudent estimate of the period over which the group will derive economic benefit from the goodwill existing at the date of acquisition.

9. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
Group	
Cost	
Additions	1,210
At 31 December 2005	<u>1,210</u>
Depreciation	
Charge for the period	253
At 31 December 2005	<u>253</u>
Net book value	
At 31 December 2005	<u><u>£ 957</u></u>

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2005

10. FIXED ASSET INVESTMENTS

Group	Listed invest- ments £
Cost	
Additions	150,000
At 31 December 2005	<u>£ 150,000</u>

Listed investments

The market value of the listed investments at 31 December 2005 was £217,728.

On 11 October 2005, the company acquired 15,980 ordinary shares in Venue Solutions Limited for £150,000.

On 12 December 2005 all Venue Solution Limited's issued share capital was acquired by Venue Solutions Holding plc and replaced on a 50 for 1 basis.

On 23 December 2005 Venue Solutions Holdings plc was admitted for trading on AIM.

The company was also granted options over a further 449,450 ordinary shares at 33.5p exercisable up to 9 November 2006. In addition there are further options to which the company is entitled, granted by a previous owner of shares in Venue Solutions Limited, entitling it to a further 665,850 ordinary shares at prices between 30p and 50p per share exercisable up to October 2007.

Company	Share in group undertaking £	Listed investment s £	Total £
Cost			
Additions	2,652,116	150,000	2,802,116
At 31 December 2005	<u>£ 2,652,116</u>	<u>£ 150,000</u>	<u>£ 2,802,116</u>

Listed investments

The market value of the listed investments at 31 December 2005 was £217,728.

Details of the principal subsidiaries can be found under Note 24.

11. DEBTORS

	Group 31 December 2005 £	Company 31 December 2005 £
Due after more than one year		
Other debtors	50,000	50,000
Due within one year		
Trade debtors	4,664	-
Amounts owed by group undertakings	-	35,000
Other debtors	9,121	3,647
Prepayments and accrued income	1,421	1,312
	<u>£ 65,206</u>	<u>£ 89,959</u>

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 December 2005

12. CREDITORS: Amounts falling due within one year

	Group 31 December 2005 £	Company 31 December 2005 £
Trade creditors	12,716	9,339
Amounts owed to group undertakings	-	5,771
Social security and other taxes	832	-
Accruals and deferred income	21,649	10,167
	<u>£ 35,197</u>	<u>£ 25,277</u>

13. CREDITORS: Amounts falling due after more than one year

	Group 31 December 2005 £	Company 31 December 2005 £
Other creditors	<u>£ 1,250,000</u>	<u>£ 1,250,000</u>

Other creditors represent conditional shares which will be issued to Harrell Hospitality Group, Inc. providing they bring to the company within three years of admission to AIM three hospitality business opportunities and one non-hospitality business opportunity which the directors deem feasible.

14. SHARE CAPITAL

	31 December 2005 £
Authorised	
1,404,074,075 Ordinary shares of £0.002 each	<u>£ 2,808,148</u>
Allotted, called up and fully paid	
220,599,230 Ordinary shares of £0.002 each	<u>£ 441,198</u>

The issued share capital comprises 220,599,230 ordinary shares of 0.2p each, consisting of 80,000 shares of £1 each issued as 80,000 £1 subscriber shares on incorporation and converted into 0.2p shares, 149,830,000 ordinary shares issued at a price of 1p per ordinary share, and 30,769,230 ordinary shares issued at a price of 3.25p per ordinary share.

A further £1,250,000 will be payable to Harrell Hospitality Group, Inc. resulting from the acquisition of Harrell Hotels (Europe) Limited in such number of conditional shares, to be allotted at the average mid market closing price from the period from admission to AIM to the share price date, being the 42nd day after admission (with a minimum issue price of 1 pence per ordinary share), as equal £1,250,000, such number of conditional shares, together with the initial shares already allotted to Harrell Hospitality Group, Inc. being no greater than 56,250,000 ordinary shares. To the extent that the value of the conditional shares is less than £1,250,000 the balance will be paid by way of 3% loan notes by the company. The conditional shares will be issued providing Harrell Hospitality Group, Inc. brings to the company within three years of admission to AIM three hospitality business opportunities and one non-hospitality business opportunity which the directors deem feasible.

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2005

15. RESERVES

	Share premium account £
Group and company	
Premium on shares issued during the period	1,775,327
At 31 December 2005	<u>£ 1,775,327</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2005 £
Group	
Loss for the period	(320,055)
Shares issued during the period	441,198
Share premium on shares issued (net of expenses)	1,775,327
Closing shareholders' funds	<u>£ 1,896,470</u>
	31 December 2005 £
Company	
Loss for the period	(71,442)
Shares issued during the period	441,198
Share premium on shares issued (net of expenses)	1,775,327
Closing shareholders' funds	<u>£ 2,145,083</u>

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own profit and loss account.
The loss for the period dealt with in the accounts of the company was £71,442.

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 December 2005 Total £
Operating loss	(347,734)
Amortisation of intangible fixed assets	94,118
Depreciation of tangible fixed assets	253
Decrease in debtors	206,636
Decrease in creditors	(32,901)
NET CASH OUTFLOW FROM OPERATIONS	<u>£ (79,628)</u>

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2005

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period ended 31 December 2005 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	27,705
Interest paid	(26)
	<hr/>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	£ 27,679
	<hr/> <hr/>
	Period ended 31 December 2005 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(1,210)
Purchase of listed investments	(150,000)
	<hr/>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	£ (151,210)
	<hr/> <hr/>
	Period ended 31 December 2005 £
ACQUISITIONS AND DISPOSALS	
Purchase of subsidiary undertaking	(461,840)
Net overdrafts acquired with subsidiary	(1,724)
	<hr/>
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS	£ (463,564)
	<hr/> <hr/>
	Period ended 31 December 2005 £
FINANCING	
Issue of ordinary shares	1,578,300
Expenses paid in connection with share issue	(361,775)
	<hr/>
NET CASH INFLOW FROM FINANCING	£ 1,216,525
	<hr/> <hr/>

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2005

NOTE 18 CONTINUED

PURCHASE OF SUBSIDIARY UNDERTAKINGS

	£
NET ASSETS ACQUIRED	
Debtors	271,842
Bank overdrafts	(1,724)
Creditors	(68,098)
	<u>202,020</u>
Goodwill	2,509,820
Net assets acquired	<u><u>£ 2,711,840</u></u>
SATISFIED BY	
Consideration:	
Cash	461,840
Shares	2,250,000
	<u><u>£ 2,711,840</u></u>

19. ANALYSIS OF CHANGES IN NET DEBT

	17 November 2004 £	Cash flow £	Other non-cash changes £	31 December 2005 £
Cash at bank and in hand:	-	549,802	-	549,802
NET FUNDS	<u><u>£ -</u></u>	<u><u>£ 549,802</u></u>	<u><u>£ -</u></u>	<u><u>£ 549,802</u></u>

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 December 2005

20. ACQUISITION OF SUBSIDIARY UNDERTAKING

On 1 April 2005 100% of the issued share capital of Harrell Hotels (Europe) Limited was acquired for a consideration of £2,711,840. The investment represents this consideration less an amount of £59,724 representing net debts owed by Harrell Hospitality Group, Inc. to the company at the date of acquisition. This acquisition has been accounted for by the acquisition method of accounting. The amount of goodwill arising was £2,509,820 and is being written off against the profit and loss account over 20 years.

In its last financial year to 30 September 2004, Harrell Hotels (Europe) Limited made a loss after tax of £267,342. For the period since that date to the date of acquisition, Harrell Hotels (Europe) Limited management accounts show:

	£
Turnover	-
Operating loss	71,341
Loss before taxation	71,300

The loss after taxation of Harrell Hotels (Europe) Limited for the period from the date of acquisition to the balance sheet date included in the consolidated accounts was £154,495.

No adjustments were made to the book values of the major categories of assets and liabilities acquired in arriving at fair values.

21. TRANSACTIONS WITH DIRECTORS

During the period, the company incurred £5,600 in accountancy fees payable to Wilder Coe Chartered Accountants, a firm in which R M Coe, a director, is a partner. Included in accruals is an amount of £3,500 owed to Wilder Coe in respect of these services.

22. RELATED PARTY TRANSACTIONS

Included in other debtors due after more than one year is an amount of £50,000 due from Convex Conveyancing Limited ("Convex"). This balance relates to a £50,000 convertible unsecured loan note.

Included in listed investments is an amount of £150,000 relating to the purchase of shares in Venue Solutions Holdings plc. ("Venue").

C S Russell, Chairman of the company, has disclosed to the board of Red Leopard Holdings plc that Ladybridge Investments Limited ("Ladybridge") (a company in which he and his wife are beneficially interested) has the following interests in Convex and Venue:

1. Ladybridge currently holds 1,733 ordinary 1p shares in Convex representing approximately 1.28% of Convex's issued share capital. In addition it has a variable minority interest in options and an incentive scheme on another approximately 18.50% of Convex's issued share capital.

2. Ladybridge currently holds 721,800 shares in Venue representing approximately 2.60% of Venue's issued share capital.

C S Russell is a director of Harrell Hospitality Group, Inc., a shareholder in Red Leopard Holdings plc, and currently holds 1,097,700 Class A Common Stock in Harrell Hospitality Group, Inc. representing approximately 8.70% of the stockholding.

S G Thomson, a director of the company, is a member of the board of Venue and currently holds 89,000 shares in Venue representing approximately 0.32% of Venue's issued share capital.

23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party as at 31 December 2005 and 17 November 2004.

RED LEOPARD HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2005

24. PRINCIPAL SUBSIDIARIES

Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Harrell Hotel (Europe) Limited	England & Wales	100	Hotel management