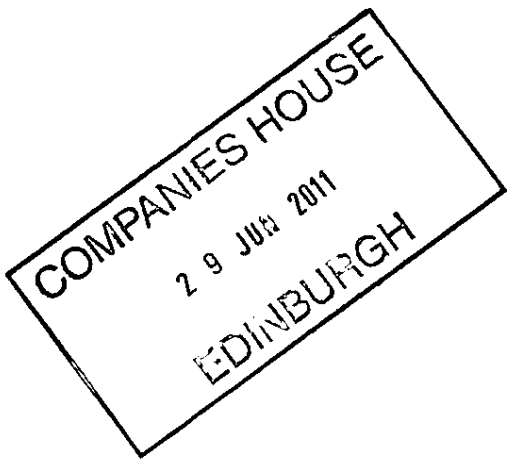
Registered Number: SC366604

HOST ACADEMY PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2011





COMPANY INFORMATION

Directors	B W C McGhee S P King J Young
Secretary	B W C McGhee
Company Number	SC366604
Registered Office	Virginia House 62 Virginia Street Glasgow G1 1TX
Auditors	PKF (UK) LLP 78 Carlton Place Glasgow G5 9TH
Bankers	The Royal Bank of Scotland plc 36 St Andrews Square Edinburgh EH2 2YB
Solicitors	DLA Piper Scotland LLP 249 West George Street Glasgow G2 4RB

HOST ACADEMY PLC

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DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2011

The company was incorporated on 9 October 2009 and the accounting reference date of the company was changed to end on 31 March. The directors present their report and the financial statements for the period ended 31 March 2011.

Principal activity, review of the business, principal risks and uncertainties and future developments

The principal activity of the company is the provision of training services in the hospitality industry.

The principal risk and uncertainties facing the company relate to the demand for training. The company provides industry recognised training which is required in the hospitality industry due to various laws and regulations such as the Private Security Industry Act 2001, health and safety and licensing laws and regulations. As long as these laws and regulations are in force, there will be demand for such services.

Sales were £583,194 and the operating profit was £94,730. The operating profit to sales % for the year was 16.2% .The directors are satisfied with the performance of the business.

At the end of the period, net assets were £118,206.

The directors expect the company to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in centralised group treasury arrangements and therefore shares banking arrangements with its parent and fellow subsidiaries. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements.

The business review and future developments contains certain forward looking statements that have been made by the directors in good faith based on the information available at the time of approval of the annual report. By their nature, such forward looking statements involve risks and uncertainties because they relate to future events and depend on circumstances that will or may occur in the future.

Results and dividend

The profit for the period, after taxation, amounted to £68,206. The directors have not recommended a dividend.

Directors

The directors who served during the period were:

S P King (appointed 9 October 2009)
B W C McGhee (appointed 9 October 2009)
G R Middlemiss (appointed 9 October 2009, resigned 31 December 2009)
J Young (appointed 12 January 2010)

Financial instruments

The company does not actively use financial instruments as part of its financial risk management.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on 27 JUNE 2011 and signed on its behalf.

B W C McGhee
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PERIOD ENDED 31 MARCH 2011

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOST ACADEMY PLC

We have audited the financial statements of Host Academy plc for the period ended 31 March 2011 which comprises the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.In addition, we read all of 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.

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 2011 and of its profit 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOST ACADEMY PLC

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.

PKF (UK) LLP

Charles Barnett (Senior Statutory Auditor)
For and on behalf of PKF (UK) LLP
Statutory Auditor
Glasgow, UK

Date: 29 June 2011

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2011

	Note	2011 £
TURNOVER	1,2	**583,194**
Cost of sales		**(92,459)**
GROSS PROFIT		**490,735**
Selling and distribution costs		**(390,939)**
Administrative expenses		**(10,899)**
Other operating income		**5,833**
OPERATING PROFIT	3	**94,730**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**94,730**
Tax on profit on ordinary activities	5	**(26,524)**
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	**68,206**

The company has no recognised gains or losses in 2011 other than those included in the profit and loss account.

All results shown above are in respect of continuing activities.

The notes on pages 8 to 10 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2011

	Note	2011 £	£
CURRENT ASSETS			
Debtors	6	51,666	
Cash at bank		301,506	
		353,172	
CREDITORS: amounts falling due within one year	7	(89,597)	
NET CURRENT LIABILITIES			263,575
TOTAL ASSETS LESS CURRENT LIABILITIES			263,575
CREDITORS: amounts falling due after one year	8		(145,369)
NET ASSETS			118,206
CAPITAL AND RESERVES			
Called up share capital	9		50,000
Profit and loss account	10		68,206
SHAREHOLDERS' FUNDS	11		118,206

The financial statements were approved and authorised for issue by the board on 27 JUNE 2011 and were signed on its behalf by:

S P King
Director

Host Academy plc **Registered Number: SC366604**

The notes on pages 8 to 10 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

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.

1.2. Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cashflow statement in accordance with FRS 1.

1.3. Turnover

Turnover represents the sums receivable associated with the continuing principal activity of providing training services for the hospitality industry and is recognised by reference to the stage of completion of the training services provided.

1.4. Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

2. TURNOVER

The total turnover of the company for the period has been derived from its principal activity. All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2011
	£
Operating lease rentals – land and buildings	4,000
Management fee	3,387

During the period, no director received any emoluments.

The audit fee for the company is incurred by the ultimate parent company. The audit fee for this company is £2,500.

The company, being a subsidiary, has taken exemption from disclosing non-audit remuneration payable as the required disclosure is made within the parent company statutory accounts.

4. STAFF COSTS

Staff costs were as follows:

	2011
	£
Wages and salaries	237,032
Social security costs	23,054
	260,086

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

	2011
	No.
Managerial and administration	4
Hourly paid staff	13
	17

5. TAXATION

The tax charge is based on profit for the period and comprises:

	2011
	£
Current tax	
UK corporation tax charge on profits for the period	26,524

The tax assessed for the period is 28% which equates to the standard rate of corporation tax in the UK.

6. DEBTORS

	2011
	£
Trade debtors	15,771
Prepaid expenses and accrued income	34,705
Other debtors	1,190
	51,666

7. CREDITORS: Amounts falling due within one year

	2011
	£
Social security and other taxes	7,184
Corporation tax	26,524
Accruals and deferred income	55,889
	89,597

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

	2011
	£
Amounts due to group undertakings	145,369

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

9. SHARE CAPITAL

	2011 £
Authorised	
50,000 ordinary shares of £1 each	50,000
Allotted, called up and fully paid	
50,000 ordinary share of £1 each	50,000

On incorporation of the company on 9 October 2009, share capital of 50,000 ordinary shares of £1 each was authorised. On the same day, 50,000 ordinary shares with a nominal value of £1 were issued at par as an initial subscription of shares of the company.

10. RESERVES

	Profit and loss account £
Retained profit for the period	68,206

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £
Shares issued in the period	50,000
Profit for the period	68,206
Closing shareholders' funds	118,206

12. OPERATING LEASE COMMITMENTS

At 31 March 2011, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2011 £
Expiry date:	
Within one year	-
After more than five years	12,000

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 3(c) of FRS 8 and accordingly transactions between companies within the Group are not disclosed.

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is G1 Group (Holdings) plc, a company registered in Scotland. Consolidated accounts are available from the company's registered office. In the opinion of the directors, this is the ultimate parent company. The ultimate controlling party is S.P. King.

15. ACCOUNTING PERIOD

The financial statements cover the period from incorporation on 9 October 2009 to 31 March 2011.