

Registered Number: SC366604

HOST ACADEMY PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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HOST ACADEMY PLC

COMPANY INFORMATION

Directors	B W C McGhee S P King S McQuade
Secretary	F M Dromgoole
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 YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements for the year ended 31 March 2012.

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 £1,041,662 (2011:£583,194) and the operating profit was £206,662 (2011: £94,730). The operating profit to sales % for the year was 19.8% (2011: 16.2%). The directors are satisfied with the performance of the business.

At the end of the year, net assets were £271,147 (2011: £118,206).

The directors expect the company to continue to generate positive cash flows on its own account for the foreseeable future. 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 year, after taxation, amounted to £152,941 (£68,206). The directors have not recommended a dividend.

Directors

The directors who served during the year were:

S P King
B W C McGhee
J Young

J Young resigned on 31 July 2012 and S McQuade was appointed on the same date.

Financial instruments

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

HOST ACADEMY PLC

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 28 August 2012 and signed on its behalf.


B W C McGhee
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2012

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 year. 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.

HOST ACADEMY PLC

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

We have audited the financial statements of Host Academy plc for the year ended 31 March 2012 which comprise 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 2012 and of its profit for the year 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.

HOST ACADEMY PLC

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: 5 September 2012

HOST ACADEMY PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

		2012	Period ended 31 March 2011(note 18)
	Note	£	£
TURNOVER	1,2	1,041,662	583,194
Cost of sales		<u>(145,295)</u>	<u>(92,459)</u>
GROSS PROFIT		896,367	490,735
Selling and distribution costs		(625,270)	(390,939)
Administrative expenses		(64,435)	(10,899)
Other operating income		<u>-</u>	<u>5,833</u>
OPERATING PROFIT	3	206,662	94,730
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		206,662	94,730
Tax on profit on ordinary activities	5	(53,721)	(26,524)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u>152,941</u>	<u>68,206</u>

The company has no recognised gains or losses in 2012 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 12 form part of these financial statements.

HOST ACADEMY PLC

BALANCE SHEET AS AT 31 MARCH 2012

	Note	£	2012 £	2011 £
FIXED ASSETS				
Tangible fixed assets	6		3,324	-
CURRENT ASSETS				
Debtors: amounts falling due after more than one year	7	132,998	-	-
Debtors: amounts falling due within one year	8	64,176	51,666	
Cash at bank		201,668	301,506	
		398,842	353,172	
CREDITORS: amounts falling due within one year	9	(130,886)	(89,597)	
NET CURRENT ASSETS			267,956	263,575
TOTAL ASSETS LESS CURRENT LIABILITIES			271,280	263,575
Creditor: amounts falling due after more than one year	10		-	(145,369)
PROVISION FOR LIABILITIES				
Deferred tax	11		(133)	-
NET ASSETS			271,147	118,206
CAPITAL AND RESERVES				
Called up share capital	12		50,000	50,000
Profit and loss account	13		221,147	68,206
SHAREHOLDERS' FUNDS	14		271,147	118,206

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

28 August 2012



S P King
Director

Host Academy plc

Registered Number: SC366604

The notes on pages 8 to 12 form part of these financial statements

HOST ACADEMY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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.

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated 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 - 20% straight line

2. TURNOVER

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

3. OPERATING PROFIT

The operating profit is stated after charging:

	2012	2011
	£	£
Depreciation	137	-
Operating lease rentals – land and buildings	20,750	4,000
Management fee	<u>60,000</u>	<u>3,387</u>

During the year, no director received any emoluments (2011: £nil).

The audit fee for the company is incurred by the ultimate parent company. The audit fee for this company is £2,800 (2011: £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.

HOST ACADEMY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

4. STAFF COSTS

Staff costs were as follows:

	2012	2011
	£	£
Wages and salaries	505,919	237,032
Social security costs	46,545	23,054
	<u>552,464</u>	<u>260,086</u>

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

	2012	2011
	No.	No.
Managerial and administration	4	4
Hourly paid staff	17	13
	<u>21</u>	<u>17</u>

5. TAXATION

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

	2012	2011
	£	£
Current tax (see note 5b)		
UK corporation tax charge on profits for the year	<u>53,588</u>	<u>26,524</u>
Deferred tax (see note 11)		
Origination and reversal of timing differences	133	-
Tax on profit on ordinary activities	<u>53,721</u>	<u>26,524</u>

The tax assessed for the year is lower (2011: equal) than the standard rate of corporation tax in the UK of 26% (2011: 28%). The differences are explained below:

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>206,662</u>	<u>94,730</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011: 28%)	53,732	26,524
<i>Effects of:</i>		
Capital allowances in excess of depreciation	(144)	-
Current tax charge for the year (note 5a)	<u>53,588</u>	<u>26,524</u>

There were no factors that may affect future tax charges.

HOST ACADEMY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

6. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
Cost	
At 1 April 2011	-
Additions	3,461
At 31 March 2012	<u>3,461</u>
Depreciation	
At 1 April 2011	-
Charge for the year	137
At 31 March 2012	<u>137</u>
Net book value	
At 31 March 2012	<u>3,324</u>
At 31 March 2011	<u>-</u>

7. Debtors: Amounts falling due after more than one year

	2012 £	2011 £
Amounts due from group undertakings	<u>132,998</u>	<u>-</u>

8. DEBTORS

	2012 £	2011 £
Trade debtors	54,967	15,771
Prepaid expenses and accrued income	6,841	34,705
Other debtors	<u>2,368</u>	<u>1,190</u>
	<u>64,176</u>	<u>51,666</u>

9. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Social security and other taxes	9,626	7,184
Corporation tax	51,088	26,524
Accruals and deferred income	<u>70,172</u>	<u>55,889</u>
	<u>130,886</u>	<u>89,597</u>

10. Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Amounts due to group undertakings	<u>-</u>	<u>145,369</u>

HOST ACADEMY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

11. DEFERRED TAXATION

	2012	2011
	£	£
At 1 April 2011	-	-
Charge for the year	133	-
At 31 March 2012	<u>133</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	2012	2011
	£	£
Accelerated capital allowances	<u>133</u>	<u>-</u>

12. SHARE CAPITAL

	2012	2011
	£	£
Authorised		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

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.

13. RESERVES

	Profit and loss account £
At 1 April 2011	68,206
Retained profit for the year	152,941
At 31 March 2012	<u>221,147</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Opening shareholders' funds	118,206	-
Shares issued in the period	-	50,000
Profit for the year	152,941	68,206
Closing shareholders' funds	<u>271,147</u>	<u>118,206</u>

15. OPERATING LEASE COMMITMENTS

At 31 March 2012, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings
	2012
	£
Expiry date:	
After more than five years	<u>12,000</u>

16. 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.

17. 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.

18. COMPARATIVE ACCOUNTING YEAR

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