

Patron Generator Holding Limited

FINANCIAL STATEMENTS

for the year ended
31 December 2012



Company Registration No 06310592

Patron Generator Holding Limited

COMPANY INFORMATION

for the year ended 31 December 2012

DIRECTORS

Platinum Nominees Limited
Mr S Law

SECRETARY

Broughton Secretaries Limited

REGISTERED OFFICE

7 Welbeck Street
London
W1G 9YE

REGISTERED NUMBER

06310592 (England and Wales)

INDEPENDENT AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Patron Generator Holding Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Patron Generator Holding Limited for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of an investment holding company

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The loss for the year to shareholders was £517,421 (2011 £471,713) and is detailed on the Profit and Loss account on page 6

During the year a new hostel opened in Hamburg 6 January 2012 as planned and is trading profitably while further investment was made in the hostel in Berlin Mitte which is due to open in Q2 2013 and it is progressing as planned

Management remain confident that the business will remain viable as existing hostels mature and further hostels open

PRINCIPAL RISKS AND UNCERTAINTIES

The company has received on going assurances from its parent undertaking sufficient to ensure that it will be able to meet its liabilities as they fall due

DIVIDENDS

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

DIRECTORS

The following directors have held office since 1 January 2012

Platinum Nominees Limited
Mr S Law

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

AUDITOR

Baker Tilly UK Audit LLP have indicated their willingness to continue in office

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

By order of the board

R. Cadogan
Secretary on behalf of Broughton Secretaries Ltd.

Patron Generator Holding Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 PATRON GENERATOR HOLDING LIMITED

We have audited the financial statements on pages 5 to 10. 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 more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 the 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 December 2012 and of its loss 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.

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.

Baker Tilly UK Audit LLP

EUAN BANKS (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

24 July 2013

Patron Generator Holding Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Administrative expenses		(62,659)	(45,518)
Interest receivable and similar income	2	2,577,424	2,408,326
Interest payable and similar charges	3	(3,167,508)	(2,969,960)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	1	<u>(652,743)</u>	<u>(607,152)</u>
Taxation	4	<u>135,322</u>	<u>135,439</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u><u>(517,421)</u></u>	<u><u>(471,713)</u></u>

The operating loss for the year arises from the company's continuing operations

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

Patron Generator Holding Limited

BALANCE SHEET

31 December 2012

Company Registration No 06310592

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	5	46,003,094	42,169,719
CURRENT ASSETS			
Debtors	6	543,077	445,374
Cash at bank and in hand		31,568	35,686
		<u>574,645</u>	<u>481,060</u>
CREDITORS Amounts falling due within one year	7	(275,248)	(275,366)
NET CURRENT ASSETS		<u>299,397</u>	<u>205,694</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		46,302,491	42,375,413
CREDITORS Amounts falling due after more than one year	8	(48,267,091)	(43,822,592)
NET LIABILITIES		<u>(1,964,600)</u>	<u>(1,447,179)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss reserve	10	(1,965,600)	(1,448,179)
TOTAL SHAREHOLDERS' DEFICIT	11	<u>(1,964,600)</u>	<u>(1,447,179)</u>

The financial statements on pages 5 to 10 were approved by the board of directors and authorised for issue on 26-01-2013 and are signed on its behalf by

G.A. Laid on behalf of Platinum Nominees Ltd
Director

Patron Generator Holding Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and on the going concern basis

The directors, having reviewed the group position and the potential dividend flows available from subsidiaries consider the going concern assumption to be appropriate in the preparation of the financial statements prepared in accordance with relevant accounting standards

The directors have received confirmation from the ultimate parent undertaking that they will not withdraw or restrict funds to the company until all third party creditors have been paid in full. The ultimate parent undertaking has also agreed to provide any funding required to support the company for the twelve months following sign off. Directors are also considering to reduce the interest payable on the loans from the group undertakings to decrease the future losses.

CONSOLIDATION

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by S400 of Companies Act 2006 not to prepare consolidated financial statements as its subsidiary undertaking are included in the consolidated financial statements of its parent company Patron Generator Sarl, a company incorporated in Luxembourg.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

INVESTMENTS

Investments are held at cost less any provision for impairment.

CASH FLOW

The company has taken advantage of the exemptions available to small companies under Financial Reporting Standards 1 Cash Flow Statements not to prepare a Cash Flow Statement.

Patron Generator Holding Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1	LOSS ON ORDINARY ACTIVITIES	2012 £	2011 £
	Loss on ordinary activities before taxation is stated after charging		
	Auditor remuneration for statutory audit	7,500	7,500
	Foreign Exchange Loss	21,495	23,872
		<u> </u>	<u> </u>

Apart from the directors, the company had no employees in the period. No directors were remunerated by the company for their services (2011: £Nil).

2	INTEREST RECEIVABLE	2012 £	2011 £
	Bank interest	23	31
	Interest on intercompany loans	2,577,401	2,408,295
		<u> </u>	<u> </u>
		2,577,424	2,408,326
		<u> </u>	<u> </u>

3	INTEREST PAYABLE	2012 £	2011 £
	Interest on parent company loan	3,167,508	2,969,960
		<u> </u>	<u> </u>

4	TAXATION	2012 £	2011 £
	Current tax		
	UK corporation tax	(135,322)	(135,439)
	Adjustments in respect of previous periods	-	-
		<u> </u>	<u> </u>
	Total current tax credit	(135,322)	(135,439)
		<u> </u>	<u> </u>

	Factors affecting tax charge for the period	2012 £	2011 £
	The tax charge for the period differs from a charge based on the standard rate of corporation tax in the UK. The differences are explained below:		
	Loss on ordinary activities before tax	(652,743)	(607,152)
		<u> </u>	<u> </u>
	Loss on ordinary activities charged at the standard rate of UK corporation tax of 24.5% (2011: 26.5%)	(159,904)	(160,895)
		<u> </u>	<u> </u>
	Transfer pricing adjustment	24,597	38,752
	Other timing differences	(15)	(13,296)
		<u> </u>	<u> </u>
	Current tax credit for the period	(135,322)	(135,439)
		<u> </u>	<u> </u>

Group relief of £135,322 (2011: £135,439) has been provided to fellow group undertaking for the consideration of £135,322.

Patron Generator Holding Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

5	INVESTMENTS	Shares in group undertakings £	Investment loans £	Total investments £
	1 January 2012	7,174,106	34,995,613	42,169,719
	Additions in year	-	3,833,375	3,833,375
	31 December 2012	<u>7,174,106</u>	<u>38,828,988</u>	<u>46,003,094</u>

The group holds more than 20% of the equity of the following companies incorporated in England and Wales

	Holding of ordinary shares	Principal activity	Capital and reserves at 31 December 2012 £	Loss for the year to 31 December 2012 £
Subsidiaries				
Patron Generator Properties Limited	100%	Investment Holding Company Management Company	(3,367,167)	(449,819)
Generator Hostels Limited	100%		1,911,415	(1,741,768)
6	DEBTORS		2012 £	2011 £
	Amounts owed by group undertaking		542,595	445,374
	Other debtors		482	-
			<u>543,077</u>	<u>445,374</u>
7	CREDITORS	Amounts falling due within one year	2012 £	2011 £
	Amounts owed to group undertaking		261,048	261,138
	Accruals and deferred income		14,200	14,228
			<u>275,248</u>	<u>275,366</u>
8	CREDITORS	Amounts falling due after more than one year	2012 £	2011 £
	Amounts owed to group undertaking		<u>48,267,091</u>	<u>43,822,592</u>

Patron Generator Holding Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

9	CALLED UP SHARE CAPITAL	2012 £	2011 £
	Authorised 10,000 ordinary shares of £1 each	10,000	10,000
	Allotted, issued and fully paid 1,000 ordinary shares of £1 each	1,000	1,000
10	PROFIT AND LOSS RESERVE	2012 £	2011 £
	At 1 January	(1,448,179)	(976,466)
	Loss for the period	(517,421)	(471,713)
	At 31 December	(1,965,600)	(1,448,179)
11	MOVEMENTS OF SHAREHOLDER'S DEFICIT		
	Share Capital £	Profit and loss reserve £	Total shareholders deficit £
	At 1 January 2012	1,000	(1,448,179)
	Loss for the period	-	(517,421)
	At 31 December 2012	1,000	(1,965,600)
12	RELATED PARTY TRANSACTIONS		
	The company has taken advantage of the exemptions available under FRS 8 'Related Party Disclosures' not to disclose transactions with group companies where voting rights are wholly carried out within the group		
13	CONTINGENT LIABILITY		
	The company has submitted a group VAT election and is consequently jointly responsible to for paying all VAT due from all members of the group At 31 December 2012 this amounted to £74,985		
14	ULTIMATE PARENT UNDERTAKING		
	The company's immediate parent company is Patron Generator Sarl, a company incorporated in Luxembourg		
	The company's ultimate parent company is Patron Capital LP III, a partnership registered in England and Wales		
	Patron Generator Sarl is the parent undertaking of the smallest and largest group for which accounts are drawn up, and of which the company is a member		