

# Patron Generator Holding Limited

## FINANCIAL STATEMENTS

for the year ended  
31 December 2013

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COMPANIES HOUSE

Company Registration No. 06310592

# Patron Generator Holding Limited

## COMPANY INFORMATION

for the year ended 31 December 2013

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### 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

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The directors submit their report and the financial statements of Patron Generator Holding Limited for the year ended 31 December 2013. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

### 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 £486,776 (2012: £517,421) and is detailed on the Profit and Loss account on page 5.

During the year two new hostels opened as planned, Barcelona on 18 March 2013 and Berlin Mitte on 22 April 2013 and both are trading profitably. Further investment was made in the hostel in Paris which is due to open in Q4 2014 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. (2012: £Nil)

### DIRECTORS

The following directors have held office since 1 January 2013:

Platinum Nominees Limited  
Mr S Law

### POST BALANCE SHEET EVENTS

After the year end, intercompany debtors of £34,232,376 that were classified as due within one year at 31 December 2013 were extended to 30 June 2017.

### 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.

# Patron Generator Holding Limited

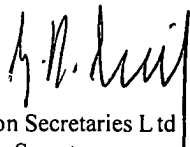
## DIRECTORS' REPORT

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### AUDITOR

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

By order of the board



Broughton Secretaries L td  
Company Secretary

30 September 2014

# Patron Generator Holding Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 accounting 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 6 to 12. 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 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 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 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **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 2013 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 from the requirement to prepare a strategic report or 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

30<sup>th</sup> September 2014

**Patron Generator Holding Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2013**

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	Notes	2013 £	2012 £
Administrative expenses		(15,808)	(41,164)
Foreign Exchange Gain/ (Loss)		29,499	(21,495)
<b>OPERATING PROFIT/(LOSS)</b>	<b>1</b>	<b>13,691</b>	<b>(62,659)</b>
Interest receivable and similar income	2	3,122,763	2,577,424
Interest payable and similar charges	3	(3,730,791)	(3,167,508)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(594,337)</b>	<b>(652,743)</b>
Taxation	4	107,561	135,322
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>10</b>	<b>(486,776)</b>	<b>(517,421)</b>

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 2013

Company Registration No. 06310592

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Investments	5	17,146,739	46,003,094
		<u>                    </u>	<u>                    </u>
<b>CURRENT ASSETS</b>			
Debtors	6	34,884,382	543,077
Cash at bank and in hand		18,207	31,568
		<u>34,902,589</u>	<u>574,645</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	(54,500,704)	(275,248)
<b>NET CURRENT ASSETS</b>		<u>(19,598,115)</u>	<u>299,397</u>
		<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,451,376	46,302,491
<b>CREDITORS: Amounts falling due after more than one year</b>	8	-	(48,267,091)
<b>NET LIABILITIES</b>		<u>(2,451,376)</u>	<u>(1,964,600)</u>
		<u>                    </u>	<u>                    </u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1,000	1,000
Profit and loss reserve	10	(2,452,376)	(1,965,600)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	11	<u>(2,451,376)</u>	<u>(1,964,600)</u>

The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on 30 September 2014 and are signed on its behalf by:



Shane Law  
Director



# Patron Generator Holding Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

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

### GOING CONCERN

During the period the company made a loss of £486,776 (2012: £517,421) and the balance sheet shows a deficiency of £2,451,376 (2012: £1,964,600) due to the liabilities including loan and accrued interest amounting to £54,221,527 (2012: 48,267,091) owed to the group investors. After the year end, these loans were extended to 30 June 2017. The directors of the company have received assurance from the ultimate controlling party that it will continue to provide the required ongoing financial support so that the company will be able to meet its liabilities as they fall due.

The directors have considered the situation and concluded that it is appropriate to prepare the financial statements on the going concern basis. This is due to the support provided by the ultimate controlling part, the trading companies within the group being cash generative, and due to the group operating well within its loan facilities available.

In addition the directors have considered the group's cash flow forecast and have concluded that there are sufficient resources available to meet the group's liabilities as they fall due for a period of at least 12 months from the date of signing these accounts.

### 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.

# Patron Generator Holding Limited

## ACCOUNTING POLICIES

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### CASH FLOW STATEMENT

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 2013**

1	LOSS ON ORDINARY ACTIVITIES	2013	2012
		£	£
	Loss on ordinary activities before taxation is stated after charging:		
	Auditor remuneration for statutory audit	7,500	7,500
	Foreign Exchange gain/(loss)	29,499	(21,495)
		<u>          </u>	<u>          </u>

Apart from the directors, the company had no employees in the period (2012: None). No directors were remunerated by the company for their services (2012: £Nil).

2	INTEREST RECEIVABLE	2013	2012
		£	£
	Bank interest	-	23
	Interest on intercompany loans	3,122,763	2,577,401
		<u>          </u>	<u>          </u>
		3,122,763	2,577,424
		<u>          </u>	<u>          </u>

3	INTEREST PAYABLE	2013	2012
		£	£
	Interest on parent company loan	3,730,791	3,167,508
		<u>          </u>	<u>          </u>

4	TAXATION	2013	2012
		£	£
	Current tax:		
	UK corporation tax	(107,561)	(135,322)
		<u>          </u>	<u>          </u>
	Total current tax credit	(107,561)	(135,322)
		<u>          </u>	<u>          </u>

	Factors affecting tax charge for the period:	2013	2012
		£	£

The tax charge for the period differs from a charge based on the effective rate of corporation tax in the UK. The differences are explained below:

	Loss on ordinary activities before tax	(594,337)	(652,743)
		<u>          </u>	<u>          </u>
	Loss on ordinary activities charged at the effective rate of UK corporation tax of 23.25% (2012: 24.5%)	(138,163)	(159,904)
		<u>          </u>	<u>          </u>
	Transfer pricing adjustment	30,602	24,597
	Other timing differences	-	(15)
		<u>          </u>	<u>          </u>
	Current tax credit for the period	(107,561)	(135,322)
		<u>          </u>	<u>          </u>

The company has surrendered the benefit of tax losses to its subsidiary undertaking for a consideration of £107,561 (2012: £135,322).

# Patron Generator Holding Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

5	INVESTMENTS	Shares in group undertakings £	Investment loans £	Total investments £
	1 January 2013	7,174,106	38,828,988	46,003,094
	Additions in year	-	5,376,021	5,376,021
	Short term investments	-	(34,232,376)	(34,232,376)
	31 December 2013	<u>7,174,106</u>	<u>9,972,633</u>	<u>17,146,739</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 2013 £	Loss for the year to 31 December 2013 £
Subsidiaries				
Patron Generator Properties Limited	100%	Investment Holding Company	(4,159,004)	(791,837)
Generator Hostels Limited	100%	Management Company	(827,497)	(2,738,912)
6	DEBTORS		2013 £	2012 £
	Amounts owed by group undertakings		34,884,382	542,595
	Other debtors		-	482
			<u>34,884,382</u>	<u>543,077</u>
7	CREDITORS: Amounts falling due within one year		2013 £	2012 £
	Amounts owed to group undertakings		263,969	261,048
	Accruals and deferred income		15,152	14,200
	Short term loans from group entities		54,221,527	-
	Other Creditors		56	-
			<u>54,500,704</u>	<u>275,248</u>
8	CREDITORS: Amounts falling due after more than one year		2013 £	2012 £
	Amounts owed to group undertakings		-	48,267,091

# Patron Generator Holding Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

9	CALLED UP SHARE CAPITAL	2013 £	2012 £
	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	2013 £	2012 £
	At 1 January	(1,965,600)	(1,448,179)
	Loss for the period	(486,776)	(517,421)
	At 31 December	(2,452,376)	(1,965,600)
11	MOVEMENTS OF SHAREHOLDER'S DEFICIT		
	Share Capital £	Profit and loss reserve £	Total shareholders deficit £
	At 1 January 2013	1,000	(1,964,600)
	Loss for the period	-	(486,776)
	At 31 December 2013	1,000	(2,451,376)
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 for paying all VAT due from all members of the group. At 31 December 2013 the amount payable is Nil. (2012 payable : £74,985).		
14	ULTIMATE PARENT UNDERTAKING		
	The company's immediate parent company is Patron Generator Sarl., a company incorporated in Luxembourg. 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.		
	The company's ultimate parent company and the ultimate controlling party is Patron Capital LP III, a partnership registered in England and Wales.		
15	POST BALANCE SHEET EVENT		
	After the year end, intercompany debtors of £34,232,376 that were classified as due within one year at 31 December 2013 were extended to 30 June 2017.		