

Hangar 8 Management Limited

Report and Financial Statements

Year ended 31 December 2016

Company Number 06740432

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Hangar 8 Management Limited

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Hangar 8 Management Limited
Officers and professional advisors

Directors

M A Khalek
S P Wright
K M Godley

Company Secretary

M Taylor

Registered office

Business Aviation Centre
Farnborough Airport
Farnborough
Hampshire
GU14 6XA

Auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
1020 Eskdale Road
Winnersh
Wokingham
Berkshire
RG41 5TS

Bankers

HSBC Bank
10 High Street
Kidlington
Oxford
OX5 2DH

Hangar 8 Management Limited

Directors' report

Year ended 31 December 2016

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2016.

Principal activities

The principal activities of Hangar 8 Management Limited (the 'Company') is the management and operation of privately owned passenger jet aircraft.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were in place during the year and to the date of this report.

Charitable and political donations

The Company made no charitable or political donations (2015: £nil).

Directors

The Directors who served the Company during the year were as follows:

M A Khalek (appointed 13 May 2016)

S P Wright (appointed 13 May 2016)

K M Godley (appointed 13 May 2016)

K J Blay (resigned 30 April 2016)

K A Callan (resigned 30 April 2016)

Going concern


The Company relies on the continued financial support from Gama Aviation Plc, the ultimate parent company to enable it to continue operating and meeting its liabilities as they fall due. The Directors believe it is appropriate to prepare the accounts on a going concern basis as they have received confirmation that continuing finance will be made available from the ultimate parent company.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006 unless the Company receives notice under section 488 (1) of the Companies Act 2006.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

Signed on behalf of the Directors



K M Godley
Director

Approved by the Directors on 03/04/2017

Hangar 8 Management Limited

Directors' responsibilities statement

Year ended 31 December 2016

Directors' responsibilities

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, including FRS101 'Reduced Disclosure Framework'). 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 and the profit or loss of the Company 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

The Directors confirm that:

- So far as the Directors are aware there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Directors



K M Godley
Director

Approved by the Directors on 03/04/2017

Independent auditor's report to the members of Hangar 8 Management Limited

We have audited the financial statements of Hangar 8 Management Limited for the year ended 31 December 2016 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity 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), including FRS 101 'Reduced Disclosure Framework'.

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 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 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 www.frc.org.uk/auditscopeukprivate.

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 December 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.



Independent auditor's report to the members of Hangar 8 Management Limited (continued)

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 preparing a Strategic report or in preparing the Directors report.

GRANT THORNTON UK LLP

Pinkesh Patel
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Wokingham
United Kingdom
03/04/2017

Hangar 8 Management Limited
Statement of comprehensive income
Year ended 31 December 2016

	Note	Year ended 31 December 2016 £	18 month period ended 31 December 2015 £
Turnover	3	4,582,411	42,952,303
Cost of sales		(4,598,673)	(40,481,528)
Gross (loss)/profit		(16,262)	2,470,775
Administrative credit/(expenses)		51,727	(6,636,171)
Operating profit/(loss)	4	35,465	(4,165,396)
Attributable to:			
Operating loss before exceptional items		35,465	(4,038,140)
Exceptional items ¹		-	(127,256)
Operating profit/(loss)		35,465	(4,165,396)
Interest receivable and similar income	7	332,020	119,372
Interest payable and similar charges	8	(13,705)	(105,870)
Profit/(loss) on ordinary activities before taxation		353,780	(4,151,894)
Tax (charge)/credit	9	(291,897)	339,971
Profit/(loss) and total comprehensive income for the year/period		61,883	(3,811,923)

All of the activities of the Company are classed as continuing.

¹Exceptional items relate to integration and business reorganisation costs, following the reverse acquisition of Gama Aviation Holdings (Jersey) Limited by Hangar 8 Plc, which subsequently changed its name to Gama Aviation Plc.

The notes on pages 9 to 20 form part of these financial statements.

Hangar 8 Management Limited
Statement of financial position
At 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	10	-		45,867	
					45,867
Current assets					
Stocks	11	-		10,606	
Debtors due within one year	12	1,584,073		15,246,614	
Cash at bank and in hand		34,965		49,030	
		1,619,038		15,306,250	
Creditors: amounts falling due within one year	14	(5,726,444)		(19,521,406)	
Net current liabilities			(4,107,406)		(4,215,156)
Total assets less current liabilities			(4,107,406)		(4,169,289)
Net Liabilities			(4,107,406)		(4,169,289)
Capital and reserves					
Called up equity share capital	16		1,000		1,000
Profit and loss account	17		(4,108,406)		(4,170,289)
Shareholders' funds			(4,107,406)		(4,169,289)

The financial statements were approved by the Board of Directors and authorised for issue on 03/04/2017, and are signed on their behalf by:



K M Godley
 Director

Company Registration Number: 06740432

The notes on pages 9 to 20 form part of these financial statements.

Hangar 8 Management Limited
Statement of changes in equity
Year ended 31 December 2016

Attributable to owners of the Company

	Share capital £	Profit and loss account £	Total £
At 1 July 2014	1,000	(358,366)	(357,366)
Loss for the financial period	-	(3,811,923)	(3,811,923)
Total comprehensive income for the period	-	(3,811,923)	(3,811,923)
At 31 December 2015	1,000	(4,170,289)	(4,169,289)
Profit for the financial year	-	61,883	61,883
Total comprehensive income for the year	-	61,883	61,883
At 31 December 2016	1,000	(4,108,406)	(4,107,406)

The notes on pages 9 to 20 form part of these financial statements.

Hangar 8 Management Limited

Notes to the financial statements

Year ended 31 December 2016

1. Company Information

Hangar 8 Management Limited (the 'Company') is a limited liability company and is incorporated and domiciled in England and Wales. The principal activities of the Company relate to the management and operation of privately owned passenger jet aircraft.

Following the reverse acquisition of Gama Aviation Holdings (Jersey) Limited by Hangar 8 Plc (subsequently known as Gama Aviation Plc) on 5 January 2015, the Company changed its accounting reference date from 30 June 2015 to 31 December 2015. The comparative results presented are for an 18 month period while the current period represents a 12 month period.

2. Accounting policies

Statement of Compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have all been applied consistently throughout the period unless otherwise stated. The financial statements have been prepared on a historical cost basis. The Company's financial statements are presented in Sterling.

Going concern

The Company relies on the continued financial support from Gama Aviation Plc, the ultimate parent company to enable it to continue operating and meeting its liabilities as they fall due. The Directors believe it is appropriate to prepare the accounts on a going concern basis as they have received confirmation that continuing finance will be made available from the ultimate parent company.

Parent company

The Company is a wholly owned subsidiary of Gama Aviation Plc, a company incorporated in England and Wales, which prepares publicly available consolidated financial statements in accordance with IFRS. The Company is included in the consolidated financial statements of Gama Aviation Plc for the year ended 31 December 2016. These financial statements are available from the Gama Aviation website: www.gamaaviation.com.

Disclosure exemptions adopted

The financial statements have been prepared in accordance with the Companies Act 2006 and the principal accounting policies as summarised below. They have all been applied consistently throughout the period.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 'Financial Instruments: Disclosures' due to the fact that equivalent disclosures are provided by the parent entity;
- (b) the requirement of paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 denoting a reconciliation of the number of shares outstanding at the beginning and end of the year; and
 - (ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment'

Hangar 8 Management Limited
Notes to the financial statements
Year ended 31 December 2016

2. Accounting policies (continued)

Disclosure exemptions adopted (continued)

- (c) the requirements of paragraphs 134 to 136 of IAS 1 'Presentation of Financial Statements' relating to capital management disclosures;
- (d) the requirements of IAS 7 'Statement of Cash Flows' to disclose a statement of cash flows;
- (e) the requirements of IAS 24 'Related Party Disclosure' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (f) the requirements of IAS 24 'Related Party Disclosure' to disclose the compensation of key management personnel; and
- (g) disclosure in respect of standards in issue not yet effective

Significant accounting policies

(a) Turnover

The Company measures revenue as the fair value of consideration received or receivable and represents amounts received for services provided in the normal course of business, net of discounts, estimated customer returns, VAT and other sales-related taxes. Revenue is recognised when the amount can be reliably estimated, collection is probable, the Company retains neither continuing managerial involvement to the degree usually associated with ownership, and the inherent risks and rewards of ownership have been transferred to the other party. Where contracts include provisions for adjustments, including yearly increases based on external benchmarks, these are not taken into consideration until they are known.

Revenue from services is primarily derived from the management or provision of aircraft which includes the revenues generated by charter. Revenue includes fixed contract fees and variable fees such as revenue earned with reference to flying hours. Revenue also includes the recharges for costs incurred relating to the management or provision of the aircraft. We record revenue relating to services rendered using an accruals method and in accordance with the terms of the contracts pursuant to which such services are rendered. Revenue from aircraft services is recognised based on contractual rates as the related services are performed.

(b) Operating expenses

Operating expenses are recognised in profit and loss upon utilisation of the service or as incurred.

(c) Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size and incidence.

(d) Tangible fixed assets and depreciation

Fixed assets are stated at cost less depreciation and impairment losses. Depreciation is provided to write off the cost less estimated residual values of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Plant and machinery	3 years, straight line method
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(e) Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

2. Accounting policies (continued)

(e) Impairment of assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with a maturity of three months or less from inception, which are subject to an insignificant risk of changes in value.

(g) Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account in the year in which they are incurred. The assets of the scheme are held separately in an independently administered fund. Prepaid contributions are recognised as an asset. Unpaid contributions are recognised as a liability.

(h) Foreign currency translation

Monetary 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 recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

(i) Leases

All leases where the risks and rewards of ownership are not transferred are treated as operating leases. Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

(j) Stock

Stock is stated at the lower of cost or net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expense.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

2. Accounting policies (continued)

(k) Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(l) Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Trade receivables and other receivables are measured at amortised cost less provision for doubtful debts, determined as set out below in "impairment of financial assets". Any write-down of these assets is expensed to the income statement.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

2. Accounting policies (continued)

(l) Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings and payables, are initially measured at fair value and subsequently at amortised cost, net of transaction costs.

Amounts due/from group companies

Amounts due/from group companies which are due/payable on demand or where there is no significant difference between the amount due/payable and fair value on initial recognition are carried at the amount due/payable on an amortised cost basis.

Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(m) Key accounting estimates and judgements

When preparing financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements:

- The allowance for doubtful debts is calculated based on management's best estimate of the amounts which will be recovered from trade receivables. A proportion of the trade receivables balance is with individuals, for whom it is more difficult to establish a credit rating. Management are in constant communication with all debtors and assess the likelihood of recoverability on a regular basis. The estimate of the allowance for doubtful debts may vary from the actual amounts recovered if an individual becomes unable to pay.
- A provision for intercompany balances is calculated based on management's best estimate of the amounts which will be recovered from intercompany balances. The estimate of the provision for intercompany balances vary from the actual amounts recovered if the group company becomes unable to pay.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

3. Turnover

The turnover and profit before tax are attributable to the principal activities of the Company. All turnover originates in the United Kingdom and is in respect of sale of services.

4. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	Year ended 31 December 2016 £	18 month period ended 31 December 2015 £
Depreciation of owned fixed assets	6,101	69,425
Amortisation of intangibles	-	106,340
Goodwill Impairment	-	220,422
Cost of inventories recognised as an expense	10,606	278
Auditor's remuneration ¹	-	-
Operating lease costs:		
- Land and buildings	-	54,899
- Plant and equipment	-	5,239
Net (gain)/loss on foreign currency translation	(143,862)	419,809

¹The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services separately as these are disclosed in the group accounts of its parent Gama Aviation Plc. The charge for the current period was accrued by the ultimate parent company Gama Aviation Plc on behalf of the Company.

5. Staff costs

The average number of staff employed by the Company, including Directors, during the financial year amounted to:

	Year ended 31 December 2016 No	18 month period ended 31 December 2015 No
Operations and administration	-	30

The aggregate payroll costs of the above were:

	Year ended 31 December 2016 £	18 month period ended 31 December 2015 £
Wages and salaries	-	1,443,743
Social security costs	-	134,357
Other pension costs in respect of defined contribution schemes	-	24,421
	-	1,602,521

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

5. Staff costs (continued)

On the 1st January 2016, employees contracts maintained in the Company were transferred to other group companies as part of a rationalisation process.

6. Directors' remuneration

All the Directors are executives of Hangar 8 Management Limited and certain other group companies. They are paid for their services to the Group rather than for their service to Hangar 8 Management Limited. These directors are paid through Gama Group Limited for group services performed.

7. Interest receivable and similar income

	Year ended 31 December 2016 £	18 month period ended 31 December 2015 £
Net gain on foreign currency translation of intercompany balances	332,020	119,372

8. Interest payable and similar charges

	Year ended 31 December 2016 £	18 month period ended 31 December 2015 £
Interest payable on bank overdrafts	13,705	97,830
Other interest payable	-	8,040
	13,705	105,870

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

9. Taxation on profit on ordinary activities

(a) Analysis of charge in the period

	Year ended 31 December 2016 £	18 month period ended 31 December 2015 £
<i>Current tax:</i>		
UK Corporation tax based on the results for the period at 20% (2015: 20%)	-	-
Adjustment in respect of prior years	-	(64,933)
Total current tax	-	(64,933)
<i>Deferred tax:</i>		
Charge/(credit) for the year/period	291,897	(275,038)
Tax charge/(credit) in income statement	291,897	(339,971)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 20% (2015: 20%).

	Year ended 31 December 2016 £	18 month period ended 31 December 2015 £
Profit/(loss) on ordinary activities before taxation	353,780	(4,151,894)
Profit/(loss) on ordinary activities by rate of tax	70,756	(830,879)
Expenses not deductible for tax purposes	9,311	1,687
Differences between capital allowances and depreciation	(2,682)	45,910
Group relief surrendered for nil consideration	-	479,548
Origination and reversal of temporary differences	(77,385)	28,196
Adjustments in respect of prior periods	-	(64,933)
Total tax (note 9(a))	-	(339,971)

The standard rate of corporation tax in the UK will be reduced by 1% to 19% in 2017. The standard rate of corporation tax will be reduced by a further 2% to 17% in 2020.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

10. Tangible assets

	Plant and machinery £	Total £
<i>Cost</i>		
Balance at 1 January 2016	234,516	234,516
Transfers to group companies	(234,516)	(234,516)
	<hr/>	<hr/>
Balance at 31 December 2016	-	-
	<hr/>	<hr/>
<i>Accumulated depreciation</i>		
Balance at 1 January 2016	188,649	188,649
Depreciation	6,101	6,101
Transfers to group companies	(194,750)	(194,750)
	<hr/>	<hr/>
Balance at 31 December 2016	-	-
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2016	-	-
	<hr/>	<hr/>
At 31 December 2015	45,867	45,867
	<hr/>	<hr/>

11. Stocks

	2016 £	2015 £
Raw materials and consumables	-	10,606
	<hr/>	<hr/>

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

12. Debtors

	2016 £	2015 £
Due within one year		
Trade debtors	1,204,240	3,328,864
Amounts owed from group companies	193,723	10,460,271
Other debtors	-	284,811
Other taxation and social security	-	248,346
Deferred tax recoverable (note 13)	-	291,897
Prepayments and accrued income	186,110	632,425
	<u>1,584,073</u>	<u>15,246,614</u>

The net carrying value of trade debtors is considered a reasonable approximation of fair value. All of the Company's trade debtors have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for losses of £239,786 (2015: £2,057,089) has been recorded accordingly within other expenses. Amounts due from group companies are repayable on demand and do not carry any interest charge.

13. Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2016 £	2015 £
Included in debtors (note 12)	-	291,897
	<u>-</u>	<u>291,897</u>

The movement in the deferred taxation account during the year was:

	2016 £	2015 £
Balance brought forward	291,897	16,859
Profit and loss account movement arising during the year	(291,897)	275,038
	<u>-</u>	<u>291,897</u>
Balance carried forward	-	291,897

The balance of the deferred taxation account consists of the tax effect of temporary differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	-	18,987
Other temporary difference	-	272,910
	<u>-</u>	<u>291,897</u>

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2016

13. Deferred taxation (continued)

There is an unrecognised deferred tax asset of £291,897 (2015: £nil) due to losses and other temporary differences, because the future recoverability of the asset is uncertain.

14. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,313,115	4,022,191
Amounts owed to group companies	2,607,658	12,664,457
Other taxation and social security	17,797	179
Other creditors	-	1,841,413
Accruals and deferred income	787,874	993,166
	<u>5,726,444</u>	<u>19,521,406</u>

Amounts owed to group companies are repayable on demand and do not carry any interest charge.

15. Contingent liabilities

The Company's banking facilities are secured by a fixed and floating charge over the assets of the Company and its immediate parent and fellow subsidiary undertakings. The Directors consider it to be highly improbable that any liability will crystallise for the Company as a result of the composite company unlimited multilateral guarantee.

16. Share capital

Authorised, allotted, and fully paid:

	2016 £	2015 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Share capital represents the amount subscribed for share capital at nominal value. The Company has one class of ordinary share with a nominal value of £1 with no right to fixed income.

17. Reserves

Profit and loss account represents the cumulative net profits and losses of the Company.

Hangar 8 Management Limited
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Year ended 31 December 2016

18. Related party transactions

As permitted by FRS 101, related party transactions with wholly owned members of the Gama Aviation Plc group have not been disclosed. During the year, the Company entered into the following transactions:

	Sale of services		Purchase of services	
	2016	2015	2016	2015
	£	£	£	£
Skye Holdings Limited	-	513,606	-	-
Offshore Jets Limited	-	1,242,654	-	205,515
Oxfordshire Estates Limited	-	125,376	-	46,699
Harrier Trust Limited	-	235,542	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties		Amounts owed to related parties	
	2016	2015	2016	2015
	£	£	£	£
Offshore Jets Limited	-	-	-	705,612
Oxfordshire Estates Limited	-	43,337	-	-
Harrier Trust Limited	-	99,973	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Skye Holdings Limited, Offshore Jets Limited, Oxfordshire Estates Limited, and Harrier Trust Limited are owned by D. Dryden, a former director of the Company.

19. Ultimate parent company

The Company is controlled by its parent company, Gama Aviation Plc, a company incorporated in England and Wales. The ultimate parent undertaking is Gama Aviation Plc.

The largest and smallest group in which the results of the Company are consolidated is that headed by the ultimate parent company: Gama Aviation Plc, a company incorporated in England and Wales. The consolidated accounts of Gama Aviation Plc are available from the Gama Aviation website: www.gamaaviation.com.