5.

Hangar 8 Management Limited

Report and Financial Statements

Year ended 31 December 2019

Company Number 06740432

Hangar 8 Management Limited
Contents

Hangar 8 Management Limited
Officers and professional advisors

Directors	M A Khalek S P Wright D D Ruback (appointed on 16 December 2019)
Company Secretary	M Taylor
Registered office	1st Floor 25 Templer Avenue Farnborough Hampshire GU14 6FE
Independent Auditor	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 3 Forbury Place 23 Forbury road Reading Berkshire RG1 3JH

Hangar 8 Management Limited
Directors' report
Year ended 31 December 2019

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2019.

Principal activities
The principal activities of Hangar 8 Management Limited (the 'Company') is the management and operation of privately owned passenger jet aircraft. The Company has recognised exceptional costs in 2019 in relation to a historic legal matter but has not traded during the year.

Future developments
The directors continue to consider the future operations of the company as it remains a non trading entity for the foreseeable future.

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.

Post balance sheet event
The Directors recognise that with the escalating COVID-19 pandemic there may be pressure on customers to reduce their use of private aviation services. As a non-adjusting post balance sheet event management continue to monitor the financial impact but at present the impact to the company is not considered to be significant as the Company remains a non trading entity.

Directors
The Directors who served the Company during the year were as follows:
M A Khalek
S P Wright
D D Ruback (appointed on 16 December 2019)

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 current economic conditions including the emergence of COVID-19 continue to create uncertainty. Forecasts and projections performed, which take into account reasonably possible changes in trading performance, show that the ultimate parent company has sufficient cash reserves and borrowings to provide the necessary financial support if required. Therefore, 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.

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

D D Ruback
Director

Approved by the Directors on 10 February 2021

Hangar 8 Management Limited
Directors' responsibilities statement
Year ended 31 December 2019

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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 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 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.The Directors confirm that:

- So far as each Director is 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.

Signed on behalf of the Directors

D D Ruback
Director

Approved by the Directors on 10 February 2021

Independent auditors' report to the members of Hangar 8 Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hangar 8 Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2019; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

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

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Charlotte Anderson

Charlotte Anderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
10 February 2021

Hangar 8 Management Limited
Statement of comprehensive income
Year ended 31 December 2019

	Note	Year ended 2019 £	Year ended 2018 £
Administrative (expenses)/ credit		**(486,064)**	1,967,249
Operating (loss)/ profit	3	**(486,064)**	1,967,249
Attributable to:			
Operating loss before exceptional items		**(415,921)**	(31,575)
Exceptional items	3	**(70,143)**	1,998,824
Operating (loss)/ profit		**(486,064)**	1,967,249
Finance income	5	**75**	3,195
(Loss)/ profit before taxation		**(485,989)**	1,970,444
Tax on (loss)/ profit	6	**-**	-
(Loss)/ profit and total comprehensive (expense)/income for the financial year		**(485,989)**	1,970,444

The notes on pages 9 to 14 form part of these financial statements.

Hangar 8 Management Limited
Balance sheet
At 31 December 2019

	Note	2019 £	2018 £
Current assets			
Trade and other receivables	7	**355,287**	804,206
		355,287	804,206
Total assets		**355,287**	804,206
Current liabilities			
Trade and other payables	8	**(1,218,128)**	(1,181,058)
		(1,218,128)	(1,181,058)
Total assets less current liabilities		**(862,841)**	(376,852)
Net liabilities		**(862,841)**	(376,852)
Shareholders' equity			
Share capital	9	**1,000**	1,000
Profit and loss account	10	**(863,841)**	(377,852)
Total shareholder's deficit		**(862,841)**	(376,852)

The financial statements on pages 6 to 14 have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 10 February 2021, and are signed on their behalf by:

The notes on pages 9 to 14 form part of these financial statements

D D Ruback
Director
Company Registration Number: 06740432

Hangar 8 Management Limited
Statement of changes in equity
Year ended 31 December 2019

Attributable to owners of the Company

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2018	**1,000**	**(2,348,296)**	**(2,347,296)**
Profit for the financial year	-	1,970,444	1,970,444
Total comprehensive income for the year	-	1,970,444	1,970,444
Balance at 31 December 2018	**1,000**	**(377,852)**	**(376,852)**
Loss for the financial year	-	(485,989)	(485,989)
Total comprehensive expense for the year	-	**(485,989)**	**(485,989)**
Balance at 31 December 2019	**1,000**	**(863,841)**	**(862,841)**

The notes on pages 9 to 14 form part of these financial statements.

1. Company Information

Hangar 8 Management Limited (the 'Company') is a limited liability company and is incorporated and domiciled in England and Wales and its registered office is disclosed on Page 1. The address of the registered office has changed from "Business Aviation Centre, Farnborough Airport, Hampshire, GU14 6XA" in the first half of 2020. The principal activities of the Company relate to the management and operation of privately owned passenger jet aircraft.

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 polices 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.

New standards, amendments and IFRIC interpretations

IFRS 16 is a new accounting standard that is effective for the year ended 31 December 2019 and has not had a material impact on the company's financial statements. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the company's financial statements.

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 current economic conditions including the emergence of COVID-19 continue to create uncertainty. Forecasts and projections performed, which take into account reasonably possible changes in trading performance, show that the ultimate parent company has sufficient cash reserves and borrowings to provide the necessary financial support if required. Therefore, 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 2019. These financial statements are available from the Gama Aviation website: www.gamaaviation.com.

Disclosure exemptions adopt

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) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
(b) IFRS 7, 'Financial instruments: Disclosures'.
(c) Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
(d) Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
   - paragraph 79(a)(iv) of IAS 1;
   - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
   - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
(e) The following paragraphs of IAS 1, 'Presentation of financial statements':
   - 10(d) (statement of cash flows);
   - 16 (statement of compliance with all IFRS);
   - 38A (requirement for minimum of two primary statements, including cash flow statements);
   - 38B–D (additional comparative information);
   - 111 (cash flow statement information); and
   - 134–136 (capital management disclosures).
(f) IAS 7, 'Statement of cash flows'.
(g) Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
(h) Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
(i) The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

2. Accounting policies (continued)
Significant accounting policies

Exceptional items
The Company's Statement of comprehensive income identify trading results before Exceptional items. The Directors believe that presentation of the Company's results in this way is relevant to an understanding of the Company's financial performance, as exceptional items are identified by virtue of their size, nature or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board and assists in providing a meaningful analysis of the trading results of the Company. Exceptional items are recorded in accordance with the policy set out below:

- Transaction costs – arising on acquisitions, disposals, and debt refinancing.
- Integration and business reorganisation - legal and professional fees and non-recurring operating costs arising from significant acquisition integration or business reorganisation activities. Non-recurring operating costs means those costs that are related to a specific integration or reorganisation event that will not be repeated because they are unique to the event and which are not expected to follow a consistent level of expense from one accounting period to the next.
- Litigation – legal costs (which may be incurred in more than one accounting period) are treated as exceptional if they relate to specific commercial legal events that are not in the normal course of trading activity in respect of one-off or related series of cases and are not expected to follow a consistent level of expense from one accounting period to the next.
- Impairment losses – arising from significant non-recurring impairment reviews.
- Other items – other significant non-recurring items.

Foreign currency translation
Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 tax is the tax currently payable based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Accounting policies (continued)
Significant accounting policies (continued)

Taxation (continued)
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply in the period when the liability is settled, or the asset is realised.

Deferred tax is charged or credited in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Financial instruments
Financial assets and financial liabilities are recognised in the Company's statement of financial position 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
The impairment model under IFRS 9 reflects expected credit losses, as opposed to only incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, the Company always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses are updated at each reporting date.

The new impairment model only applies to the Company's financial assets that are debt instruments measured at amortised costs or FVTOCI as well as the Company's finance lease receivables, contract assets and issued financial guarantee contracts. The Company has applied the simplified approach to recognise lifetime expected credit losses for its trade receivables, finance lease receivables and contracts assets as required or permitted by IFRS 9.

Expected credit losses are calculated with reference to average loss rates accurately incurred in the three most recent reporting periods to which a country risk premium is added. The combined loss rate represents the maximum expected credit default risk, which is expressed as a percentage. This percentage rate is then applied to current receivable balances using a probability risk spread as follows:

- 80% of debt not yet due (i.e. the Group's average combined loss rate of 1% is discounted by 20%, meaning a 0.8% provision would be made to debt not yet due);
- 85% of debt that is <30 days overdue;
- 90% of debt that is 30-60 days overdue;
- 95% of debt that is 60-90 days overdue; and
- 100% of debt that is >90 days overdue.

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.

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.

2. Accounting policies (continued)
Significant accounting policies (continued)

Financial instruments (continued)

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.

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. Management have concluded that no key judgements are required that would have a significant effect on the financial statements. The following are the accounting estimates made in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Loss allowances on financial assets
The loss allowance 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 and overseas Groups, 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 loss allowance may vary from the actual amounts recovered if an individual becomes unable to pay.

3. Operating (loss)/ profit
Operating (loss)/ profit for the year is stated after charging/(crediting):

	Year ended 2019 £	Year ended 2018 £
Net foreign exchange (gains)/ losses	**(7,134)**	20,386
Exceptional items: Integration & business reorganisation credit	**-**	(2,433,748)
Impairment of trade receivables	**422,980**	182,991
Exceptional items: Litigation costs	**70,143**	434,924

The company has incurred legal fees of £70,143 (2018: £434,924) in respect of ongoing litigation.

In 2018 as part of a plan to restructure and simplify the legal entity structure of the Gama Aviation plc group, intercompany loan forgiveness of £2,433,748 was included in exceptional items. In 2019 similar costs were nil.

The 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 audit was accrued by the ultimate parent company Gama Aviation Plc on behalf of the Company.

The Company has no employees (2018: nil).

4. 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.

5. Finance income

	Year ended 2019 £	Year ended 2018 £
Foreign currency translation on intercompany balances	**75**	3,195

6. Tax on (loss)/ profit

	Year ended 2019 £	Year ended 2018 £
Corporation tax:		
Current tax	-	-
Deferred tax	-	-
Total tax charge for the year	-	-

The tax assessed on the (loss)/ profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19% (2018: 19%).

	Year ended 2019 £	Year ended 2018 £
(Loss)/ Profit before tax	**(485,989)**	1,970,444
Tax at the corporation tax rate of 19% (2018: 19%)	**(92,338)**	374,384
Effects of:		
Expenses not deductible for tax purposes	**(11,938)**	(462,412)
Differences between capital allowances and depreciation	-	(2,508)
Group relief claimed	**94,389**	90,536
Deferred tax not recognised	**9,887**	-
Origination and reversal of temporary differences	-	-
Total tax charge for the year	-	-

There is an unrecognised deferred tax asset of £9,887 (2018: £243,040) due to losses and other temporary differences, because the future recoverability of the asset is uncertain.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

7. Trade and other receivables

	2019 £	2018 £
Trade receivables	**731,859**	952,483
Allowance for doubtful debts	**(422,980)**	(182,991)
	308,879	769,492
Other receivables	**-**	2,887
Amounts owed from group companies	**46,408**	31,827
Prepayments and accrued income	**-**	-
	355,287	804,206

The net carrying value of trade receivables is considered a reasonable approximation of fair value. All of the Company's trade receivables have been reviewed for indicators of impairment and an impairment of £423k was deemed necessary (2018: £183k). Amounts due from group companies are repayable on demand and do not carry any interest charge.

8. Trade and other payables

	2019 £	2018 £
Trade payables	**825,835**	981,982
Amounts owed to group companies	**392,293**	199,076
	1,218,128	1,181,058

9. Share capital

Authorised, allotted and fully paid

	2019 £	2018 £
1,000 Ordinary shares of £1 each	**1,000**	1,000

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.

10. Reserves

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

11. Related party transactions

As permitted by FRS 101, related party transactions with the wholly owned members of the Gama Aviation Plc group have not been disclosed.

12. Ultimate parent company

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

13. Post balance sheet event

In light of the escalating COVID-19 pandemic, the Company has considered whether any adjustments are required to reported amounts in the financial statements. The Company notes that as at 31 December 2019 no pandemic has been declared and as a result, Covid-19 has been treated as a non-adjusting event. The only area identified to date that could be impacted by COVID-19 in 2020 relates to potential impairment of non-current assets however the Directors do not believe that that there will be an impact to the value of the non-current assets held as at 31 December 2019