

Hangar 8 Management Limited

Annual Report and Financial Statements

Year ended 31 December 2020

Company Number 06740432

THURSDAY



AAE45375

A54

30/09/2021

#138

COMPANIES HOUSE

Hangar 8 Management Limited
Contents

	Page
Officers and professional advisors	1
Directors' report	2
Statement of Directors' responsibilities in respect of the financial statements	3
Independent auditor's report	4
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Hangar 8 Management Limited
Officers and professional advisors

Directors	M A Khalek S P Wright D D Ruback
Company Secretary	M Taylor
Registered office	1 st Floor 25 Templer Avenue Farnborough Hampshire GU14 6FE
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Savannah House 3 Ocean Way Southampton SO14 3TJ

Hangar 8 Management Limited
Directors' report
Year ended 31 December 2020

The Directors present their report together with the audited financial statements of Hangar 8 Management Limited (the 'Company') for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is the management and operation of privately owned passenger jet aircraft. During the year a capital contribution of £470,868 was received through debt forgiven by the company's parent company

Future developments

The directors continue to consider the future operations of the Company. 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

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is unlikely the impact would be significant.

Directors

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

M A Khalek
S P Wright
D D Ruback

Going concern

The company has ceased trading. The remaining assets and liabilities relate to items pending litigation claims and when these are resolved the Directors intend to dissolve the Company. Therefore, the directors have prepared the financial statements on a basis other than going concern as they believe there is no realistic alternative. No material adjustments arose as a result of ceasing to apply the going concern basis.

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006. The Directors have also taken the small companies' exemption not to prepare a strategic report.

Signed on behalf of the Directors:



D D Ruback
Director

Approved by the Directors on 28 September 2021

Hangar 8 Management Limited
Statement of Directors' responsibilities in respect of the financial statements
Year ended 31 December 2020

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, 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; and
- 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the Directors:



D D Ruback
Director

Approved by the Directors on 28 September 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 2020 and of its profit 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: Balance sheet as at 31 December 2020; Statement of comprehensive income and 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than 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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

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 2020 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 Statement of Directors' responsibilities, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the financial reporting requirements of the Companies Act 2006, including United Kingdom Accounting Standards, comprising FRS 101, and tax regulatory compliance in the UK and other jurisdictions, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to reach of the financial reporting requirements of the Companies Act 2006 and non-compliance with regulation or laws relating to tax. Audit procedures performed by the engagement team included:

- Financial statement review procedures against Companies Act 2006 requirements
- Audit of corporation tax and VAT including tax disclosures within the financial statements

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Julian Gray (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

29 September 2021

Hangar 8 Management Limited
Statement of comprehensive income
Year ended 31 December 2020

	Note	Year ended 2020 £	Year ended 2019 £
Administrative credit/(expenses)		391,973	(486,064)
Operating profit/(loss)	3	391,973	(486,064)
Attributable to:			
Operating profit/(loss) before exceptional items		391,973	(415,921)
Exceptional items	3	–	(70,143)
Operating profit/(loss)	3	391,973	(486,064)
Finance income	5	–	75
Profit/(loss) before taxation		391,973	(485,989)
Tax on profit/(loss)	6	–	–
Profit/(loss) and total comprehensive income/(expense) for the financial year		391,973	(485,989)

The notes on pages 10 to 15 form part of these financial statements.

Hangar 8 Management Limited
Balance sheet
At 31 December 2020

	Note	2020 £	2019 £
Current assets			
Trade and other receivables	7	–	355,287
		–	355,287
Total assets		–	355,287
Current liabilities			
Trade and other payables	8	–	(1,218,128)
		–	(1,218,128)
Total assets less current liabilities		–	(862,841)
Net liabilities		–	(862,841)
Shareholders' equity			
Called up share capital	9	1,000	1,000
Capital contribution	10	470,868	–
Profit and loss account	10	(471,868)	(863,841)
Total shareholders' deficit		–	(862,841)

The financial statements on pages 7 to 15 have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 10 to 15 form part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2021, and are signed on their behalf by:



D D Ruback
 Director
 Company Registration Number: 06740432

Hangar 8 Management Limited
Statement of changes in equity
Year ended 31 December 2020

Attributable to owners of the Company

	Share capital £	Capital contribution £	Profit and loss account £	Total shareholder's funds £
Balance at 1 January 2019	1,000	–	(377,852)	(376,852)
Total comprehensive expense for the year	–	–	(485,989)	(485,989)
Balance at 31 December 2019	1,000	–	(863,841)	(862,841)
Total comprehensive income for the year	–	–	391,973	391,973
Contribution from parent	–	470,868	–	470,868
Balance at 31 December 2020	1,000	470,868	(471,868)	–

The notes on pages 10 to 15 form part of these financial statements.

Hangar 8 Management Limited
Notes to the financial statements
Year ended 31 December 2020

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 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 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.

New standards, amendments and IFRIC interpretations

There are no new accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have had a material impact on the Company's financial statements.

Going concern

The company has ceased trading. The remaining assets and liabilities relate to items pending litigation claims and when these are resolved the Directors intend to dissolve the Company. Therefore, the directors have prepared the financial statements on a basis other than going concern as they believe there is no realistic alternative. No material adjustments arose as a result of ceasing to apply the going concern basis.

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 2020. 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.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2020

2. Accounting policies (continued)
Significant accounting policies

a) 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.

b) 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.

c) 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.

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.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2020

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

d) 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.

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.

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.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2020

2. Accounting policies (continued)

Significant accounting policies (continued)

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. The remaining trade receivables balance of £712,834 is being claimed as part of ongoing litigation and has been provided against in full. Should the Company be successful in its claims then the related amount(s) will be taken to profit.

3. Operating profit/(loss)

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

	Year ended 2020 £	Year ended 2019 £
Net foreign exchange gains	(2,954)	(7,134)
Impairment of trade receivables	289,854	422,980
Write back of trade payables	(569,619)	–
Exceptional items: Litigation costs	–	70,143

The Company has incurred legal fees of nil (2019: £70,143) in respect of ongoing litigation.

During the year £569,619 of historical trade payables balances were written-back. A portion of this has exceeded the legal time for suppliers to claim. The remaining amount, approximately £350,000, management have assessed the likelihood of payment is improbable.

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 (2019: 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 2020 £	Year ended 2019 £
Foreign currency translation on intercompany balances	–	75

6. Tax on profit/(loss)

	Year ended 2020 £	Year ended 2019 £
Corporation tax:		
Current tax	–	–
Deferred tax	–	–
Total tax charge for the year	–	–

The tax assessed on the loss for the period is higher than the standard rate of corporation tax in the UK of 19% (2019: 19%).

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2020

6. Tax on profit/(loss) (continued)

	Year ended 2020 £	Year ended 2019 £
Profit/(loss) before tax	391,973	(485,989)
Tax at the corporation tax rate of 19% (2019: 19%)	74,475	(92,338)
Effects of:		
Expenses not deductible for tax purposes	-	(11,938)
Differences between capital allowances and depreciation	-	-
Deferred tax loss/ (gain) not recognised	(1,879)	9,887
Group relief (claimed)/surrendered	(72,596)	94,389
Total tax charge for the year	-	-

There is an unrecognised deferred tax asset of £303,000 (2019: £294,786) due to losses and other temporary differences, because the future recoverability of the asset is uncertain.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements..

7. Trade and other receivables

	2020 £	2019 £
Trade receivables	712,834	731,859
Allowance for doubtful debts	(712,834)	(422,980)
	-	308,879
Other receivables	-	-
Amounts owed from group companies	-	46,408
Prepayments and accrued income	-	-
	-	355,287

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 £289,854 was deemed necessary (2019: £422,980). Amounts due from group companies are repayable on demand and do not carry any interest charge.

8. Trade and other payables

	2020 £	2019 £
Trade payables	-	825,835
Amounts owed to group companies	-	392,293
Other tax and social society	-	-
	-	1,218,128

9. Called up share capital
Authorised, allotted and fully paid

	2020 £	2019 £
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.

Hangar 8 Management Limited
Notes to the financial statements (continued)
Year ended 31 December 2020

10. Reserves

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

The Capital contribution relates to debt forgiven by the Company's parent company during 2020.

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. Contingent liabilities

The company has approximately £350,000 of historic trade payables that management have assessed the likelihood of payment is improbable.

13. 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.

14. Post balance sheet event

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is unlikely that the overall effect of the change will have a significant impact.