

Company Registration No. 03005520 (England and Wales)

NORTH WEST AEROSPACE ALLIANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NORTH WEST AEROSPACE ALLIANCE

COMPANY INFORMATION

Directors	N J McKay S J Carson S A McDonald K A Harrison A B Hammond J P Milligan I D Minton P Burns A J Walker M J Gavin S Mallon J Taylor	(Appointed 17 December 2020) (Appointed 15 June 2021)
Secretary	S A McDonald	
Company number	03005520	
Registered office	Suite 202, Pendle Business Centre Commercial Street Nelson Lancashire BB9 7BT	
Auditor	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR	
Bankers	NatWest 35 King William Street Blackburn Lancashire BB1 7DL	

NORTH WEST AEROSPACE ALLIANCE

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NORTH WEST AEROSPACE ALLIANCE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Review of the business

The accounts to end of March 2021 show that the NWAA has made a loss of £13,628 on a turnover of £381,714, however upon adding back the exceptional cost relating to dilapidations, which amounted to £14,000, core trading profit amounted to £372. Turnover has reduced by 29% from £535,070 in 2019/20.

Last year's strategic decision to reduce overheads by taking advantage of the Break Clause in the Lease on the offices in Bamber Bridge along with previous investment in Cloud based technology to provide data storage and computing power allowed the NWAA team to use digital resources stored across the internet and provided NWAA employees with the ability to work remotely without having to access a central server. This of course became crucial during this challenging time of COVID-19.

NWAA has been a key strategic partner to a number of government and industry task forces across 2020/21 that were established to understand the impact of the Covid-19 pandemic on the civil aerospace sector and the response required to support the supply chains. NWAA supported national, regional and local task forces including the Lancashire Aerospace Task Force led by Lancashire Economic Partnership.

Across this financial period, NWAA continued to deliver the new nationally funded SC21 Competitiveness & Growth Programme. This new £10,000,000 national programme has been piloted by NWAA in the North West of England and the Aerospace Cluster of Excellence (ACE) continues to contribute to the revenue stream for NWAA whilst ensuring collaboration between suppliers and exposure to customers for ACE members.

The UK Government is clearly committed to peer to peer networking and NWAA has delivered its first funded programme of activity across 2020/21. It is thought that this work will position NWAA for future funding opportunities in line with the Government's "levelling up" agenda.

NWAA continues to be a strategic partner to the National Aerospace Technology Exploitation Programme (NATEP) and continues to be contracted in relation to engagement for the third tranche of NATEP funding.

Over the 2020/21 financial year, with physical attendance at events not possible due to COVID-19, NWAA delivered a regular series of Webinars that have been hugely beneficial to our members and has gained the capability, in a short space of time, to be able to run a portfolio of events (face to face, online and hybrid) more effectively and efficiently thereby optimising costs and revenues. Unfortunately, larger events had to be postponed, cancelled or replaced with a virtual offer.

- The NWAA Annual Conference in May 2020 was cancelled and the Conference for 2021 will be deferred until September 2021.
- Likewise, Farnborough International Air Show was cancelled, being supported with a virtual event.

Across the financial year, NWAA has worked to retain its position within key policy making organisations. In the year to March 2021, NWAA, via David Bailey who continues to provide consultancy as our Industrial Expert, has been a regular contributor to the Aerospace Growth Partnership Board, the UK's industry and government body for the development of the UK's civil aerospace strategy. Involvement in key national bodies, in turn, supports the service level agreements held with the Lancashire Enterprise Partnership

The company's Balance Sheet as at 31st March 2021 shows the shareholder funds of £78,824 and is capable of supporting member needs and appropriate growth.

NORTH WEST AEROSPACE ALLIANCE

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Looking forward and key risks

For NWAA, along with most businesses within the Aerospace Sector, are clearly going to face lots of challenges and opportunities as we emerge from the impact of the COVID-19 pandemic on the aviation and aerospace sectors. NWAA is determined to provide whatever help and support we can to our members so that they can overcome those challenges and benefit from those opportunities. My team is ready and eager to hold real events, to engage with our members, to help them to network, and create new business connections.

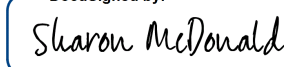
These events, after 17 months of holding free webinars for members, along with reduction in overheads over the past 18 months, will contribute to providing renewed revenue and a stable platform on which NWAA can build.

Conclusion

The above, along with the financial plan and cash flow forecast to March 2022 provide the board with the confidence that NWAA can continue to support the sector and its members in meeting the significant challenges and opportunities that lie ahead.

On behalf of the board

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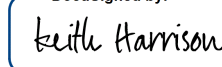
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S A McDonald

Director and Chief Executive Officer

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K A Harrison

Director and Chairman Audit Committee

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NORTH WEST AEROSPACE ALLIANCE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and financial statements for the year ended 31 March 2021.

Principal activities

The North West Aerospace Alliance (NWAA) is a regional trade association formed in 1994 to represent and support the Aerospace Industry across the North West of England. The North West Region consists of approximately 25% of the UK aerospace industry with over 650 companies employing some 26,000 high value adding jobs and a combined turnover in excess of £8 Billion. NWAA represents a range of stakeholders (industry, academia, services) in the aerospace sector with a mission to provide three core services; Promote, Shape, and Develop.

NWAA works with its members to promote the region and its industry at national and international events and exhibitions such as Farnborough and Paris International Air Shows. NWAA contributes to the future shape of the industry through strategic thinking and by influencing national policy through processes such as the Aerospace Growth Partnership (AGP) – a partnership of UK Government and Industry to define the UK's Aerospace Strategy. NWAA is represented on the board of the AGP and within the key working groups on Engagement and Supply Chain. NWAA has helped to develop the cluster through the design, development and delivery of a range of business support programmes such as Aerospace Supply Chain Excellence (ASCE), GAMMA, the National Aerospace Technology Exploitation Programme (NATEP) and more recently through the delivery of the new SC21 Competitiveness & Growth Programme and Peer to Peer Networks in Lancashire. The NWAA website (www.aerospace.co.uk) contains details of all of the NWAA projects and programmes.

Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Following the Coronavirus outbreak it is expected that the aerospace industry will experience a reduction in demand. The cash reserves and balance sheet position should in the opinion of the directors enable the company to continue to trade.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N J McKay	
S J Carson	
S A McDonald	
K A Harrison	
A B Hammond	
M D Haworth	(Resigned 18 March 2021)
J P Milligan	
I D Minton	
P Burns	
A J Walker	
S Kitson	(Resigned 4 May 2020)
M J Gavin	
S Mallon	(Appointed 17 December 2020)
J Taylor	(Appointed 15 June 2021)

Auditor

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

NORTH WEST AEROSPACE ALLIANCE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board

DocuSigned by:

Sharon McDonald

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S A McDonald

Director and Chief Executive Officer

DocuSigned by:

Keith Harrison

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K A Harrison

Director and Chairman Audit Committee

Date:

NORTH WEST AEROSPACE ALLIANCE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTH WEST AEROSPACE ALLIANCE

Opinion

We have audited the financial statements of North West Aerospace Alliance (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

NORTH WEST AEROSPACE ALLIANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH WEST AEROSPACE ALLIANCE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report and the directors' report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

NORTH WEST AEROSPACE ALLIANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH WEST AEROSPACE ALLIANCE

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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the following areas as those most likely to have such an effect: laws relating to health and safety and the regulated nature of the company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

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Niles Modhvadia (Senior Statutory Auditor)
For and on behalf of Cowgill Holloway LLP

Chartered Accountants
Statutory Auditor

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Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

NORTH WEST AEROSPACE ALLIANCE

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover		381,714	535,070
Cost of sales		(72,823)	(183,524)
		<hr/>	<hr/>
Gross profit		308,891	351,546
Administrative expenses		(314,484)	(439,378)
Other operating income		5,965	-
Exceptional item	2	(14,000)	-
		<hr/>	<hr/>
Loss before taxation		(13,628)	(87,832)
Tax on loss		-	-
		<hr/>	<hr/>
Loss for the financial year		<u>(13,628)</u>	<u>(87,832)</u>

NORTH WEST AEROSPACE ALLIANCE


BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		437		1,131
Investments	5		10,000		10,000
			<u>10,437</u>		<u>11,131</u>
Current assets					
Debtors	6	25,389		135,338	
Cash at bank and in hand		148,087		167,549	
		<u>173,476</u>		<u>302,887</u>	
Creditors: amounts falling due within one year	7	(105,089)		(221,566)	
Net current assets			<u>68,387</u>		<u>81,321</u>
Total assets less current liabilities			<u><u>78,824</u></u>		<u><u>92,452</u></u>
Capital and reserves					
Profit and loss reserves			<u><u>78,824</u></u>		<u><u>92,452</u></u>

These financial statements 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 and are signed on its behalf by:

DocuSigned by:

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 S A McDonald
 Director and Chief Executive Officer

DocuSigned by:

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 K A Harrison
 Director and Chairman Audit Committee

Company Registration No. 03005520

NORTH WEST AEROSPACE ALLIANCE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Profit and loss reserves £
Balance at 1 April 2019	180,284
Year ended 31 March 2020:	
Loss and total comprehensive income for the year	(87,832)
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Balance at 31 March 2020	92,452
Year ended 31 March 2021:	
Loss and total comprehensive income for the year	(13,628)
	<hr/>
Balance at 31 March 2021	<u>78,824</u>

NORTH WEST AEROSPACE ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

North West Aerospace Alliance is a private company limited by shares incorporated in England and Wales. The registered office is Suite 202, Pendle Business Centre, Commercial Street, Nelson, Lancashire, BB9 7BT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have prepared budgets and cashflow forecasts that demonstrate liabilities can be settled as and when they fall due. In addition, results after the reporting date support the assumptions made within the budgets and cashflow forecasts. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents grants receivable and income from members together with membership subscriptions excluding VAT.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

NORTH WEST AEROSPACE ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% - 50% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NORTH WEST AEROSPACE ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NORTH WEST AEROSPACE ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Exceptional item

	2021 £	2020 £
Expenditure		
Dilapidations	14,000	-

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	17	18

NORTH WEST AEROSPACE ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2020	187,950
Additions	292
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At 31 March 2021	188,242
	<hr/>
Depreciation and impairment	
At 1 April 2020	186,819
Depreciation charged in the year	986
	<hr/>
At 31 March 2021	187,805
	<hr/>
Carrying amount	
At 31 March 2021	437
	<hr/>
At 31 March 2020	1,131
	<hr/>

5 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	10,000	10,000
	<hr/>	<hr/>

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	13,916	38,603
Other debtors	4,398	9,799
Prepayments and accrued income	7,075	86,936
	<hr/>	<hr/>
	25,389	135,338
	<hr/>	<hr/>

NORTH WEST AEROSPACE ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	13,026	18,357
Amounts owed to group undertakings	12,599	12,599
Taxation and social security	4,750	5,215
Accruals and deferred income	74,714	185,395
	<u>105,089</u>	<u>221,566</u>

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
	<u>775</u>	<u>82,308</u>

9 Related party transactions

At the balance sheet date included in creditors there was an amount of £12,599 (2020: £12,599) due to North West Aerospace Solutions Ltd, a wholly owned subsidiary of the company.

10 Controlling party

The company is controlled by the directors in accordance with the Articles and Memorandum of Association.

11 Company status

The company is a private limited company by guarantee and consequently does not have any share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

NORTH WEST AEROSPACE ALLIANCE
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

NORTH WEST AEROSPACE ALLIANCE

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020
	£	£	£	£
Turnover				
Grants receivable		156,441		184,246
Other members income		119,372		239,106
Members subscriptions		105,901		111,718
		<u>381,714</u>		<u>535,070</u>
Cost of sales				
Programme expenses	55,126		60,139	
Exhibitions	17,697		123,385	
	<u>72,823</u>		<u>183,524</u>	
		(72,823)		(183,524)
Gross profit	80.92%	308,891	65.70%	351,546
Other operating income				
Other Coronavirus funding		5,965		-
Administrative expenses		(314,484)		(439,378)
Exceptional items				
Dilapidations	(14,000)		-	
	<u>(14,000)</u>		<u>-</u>	
Operating loss		<u>(13,628)</u>		<u>(87,832)</u>

NORTH WEST AEROSPACE ALLIANCE

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Administrative expenses		
Wages and salaries	174,848	187,238
Staff pension costs defined contribution	7,345	11,029
Directors' remuneration	49,108	137,839
Rent and rates	28,033	36,235
Power, light and heat	1,212	2,464
Repairs and maintenance	2,860	1,252
Insurance	5,485	6,374
Computer running costs	9,931	16,456
Professional subscriptions	1,230	980
Legal fees	-	958
Professional fees	1,900	900
Accountancy	6,600	6,600
Audit fees	3,500	3,000
Bank charges	973	1,197
Bad and doubtful debts	4,615	3,078
Printing and stationery	4,516	7,994
Publications	6,440	7,350
Advertising	-	595
Telecommunications	4,696	5,662
Sundry expenses	122	706
Depreciation	986	1,530
Profit or loss on foreign exchange	84	(59)
	<u>314,484</u>	<u>439,378</u>