

## MANSTON AIRPORT DEVELOPMENT CONSENT ORDER EXAMINATION

### SUBMISSION:

#### Comments on Information requested by the ExA and received from the Applicant to Deadline 11 MRO EMPLOYMENT

1. We, also, note the high number of employees that the Applicant has asserted in relation to MRO employment is based upon much contested evidence.
2. Air Salvage International Limited is reported to be the “*busiest aviation scrapyard in the world*”<sup>1</sup>.
3. Air Salvage International Limited (Company No. 03298617) is a UK registered company with UK-situs officers<sup>2</sup> based at Cotswold Airport in Gloucestershire with complete transparency at UK Companies House. It was incorporated on 2 January 1997.
4. It has accounts on Companies House dating back to its incorporation over 20 years’ ago.
5. Accounts filed at Companies House Financial Statement for the Year Ended 31 March 2018 for Air Salvage International Limited prepared by accountants<sup>3</sup> state at Note 3 that the **average number of employees** during the year was **32 (THIRTY TWO)**.
6. It is of note that Air Salvage International handles **around 50 aircraft each year**<sup>4</sup>.
7. Therefore Air Salvage International staff to planes ratio is 32 people: 50 planes.
8. On this evidenced basis the Applicant would likely only employ 25 people to handle 39 planes.

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<sup>1</sup> Jet Cemetery: Where do aircraft go when airlines go to the Wall? Independent 10 December 2009

<sup>2</sup> <https://beta.companieshouse.gov.uk/company/03298617/officers> and PDF attached

<sup>3</sup> Companies House Financial Statement for the Year Ended 31 March 2018 for Air Salvage International Limited

<sup>4</sup> Kemble’s Air Salvage International is Business of the Year 23 September 2013

9. At SE.2.7 [REP6-012] the Applicant states at (ii) that the facility would dismantle around “10 aircraft each year”.
10. On the evidence the Applicant would likely only employ 1 person to handle 10 planes.
11. It is of note that **Air Salvage International** (ASI) states on its website that it is “a globally respected provider of professional asset management services to banks, lessors, insurance companies and commercial airlines. With experience of over 750+ projects worldwide over the last 22 years, *[our] disassembly services have been at the industry forefront and have contributed to developing Aircraft Fleet Recycling Association (AFRA) Best Management Practices (BMPs)*. *[We’ve] undertaken projects across the globe, including Togo, New Zealand, Dubai, Sudan, Ecuador, USA, Libya, Maldives and Cairo. [We] handle 14% of the global disassembly market annually – either at our UK Centre of Excellence, or airports across the world*”<sup>5</sup>
12. ASI’s End-of-Life-Asset-Management (‘tear down’) works with a component trading affiliate **Skyline Aero**.
13. Skyline Aero states on its website that it is a UK aircraft aftermarket supplier, supporting the commercial aviation market. It supports mostly Boeing and Airbus Aircraft as well as some regional aircraft<sup>6</sup>.
14. Skyline Aero is a UK registered company with UK-situs officers<sup>7</sup> based at Cotswold Airport in Gloucestershire with complete transparency at UK Companies House. It was incorporated on 14 March 2013.
15. It is also located at Cotswold Airport in the UK.
16. We also note Monarch Engineering, prior to administration, employed 400/553 staff operating large hangars and substantial aircraft maintenance **across 3 large airports<sup>8</sup> (ie <185 pax per airport)**.
17. This number is **significantly lower** than the cited 600 jobs by the Applicant in Appendix SE.1.5 of [REP3-187]. It is of note that the

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<sup>5</sup> <http://airsalvage.co.uk/>  
and PDF Attached

<sup>6</sup> <http://skyline-aero.com/>

<sup>7</sup> <https://beta.companieshouse.gov.uk/company/03298617/officers>  
and PDF attached

<sup>8</sup> Inside MRO: New Year Brings Sad End to the Monarch Saga 11 January 2019

Applicant still has not provided any UK-situs evidence to substantiate these numbers.

18. We respectfully remind the ExA that ***the Secretary of State will also have regard to the manner in which such benefits are secured, and the level of confidence in their delivery.***

# Companies House

Companies House does not verify the accuracy of the information filed  
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## AIR SALVAGE INTERNATIONAL LIMITED

Company number **03298617**

- [Officers](#)
- [Persons with significant control \(https://beta.companieshouse.gov.uk/company/03298617/persons-with-significant-control\)](https://beta.companieshouse.gov.uk/company/03298617/persons-with-significant-control)

### Filter officers

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### 11 officers / 9 resignations

#### GREGORY, Bradley Joe

Correspondence address **Hangar H1 Cotsworld Airport, Kemble, Cirencester, Gloucestershire, England, GL7 6BA**

Role Active **Secretary**

Appointed on **8 June 2010**

Nationality **British**

#### GREGORY, Mark John

Correspondence address **Hangar H1 Cotsworld Airport, Kemble, Cirencester, Gloucestershire, England, GL7 6BA**

Role Active **Director**

Date of birth **October 1961**

Appointed on **4 January 1997**

Nationality **British**

Country of residence **England**

Occupation **Engineer**

#### BLACKFRIAR SECRETARIES LIMITED

Correspondence address [REDACTED]

Role Resigned **Nominee Secretary**

Appointed on **2 January 1997**

Resigned on **2 January 1997**

#### BRADY, Kathryn

Correspondence address [REDACTED]

Role Resigned **Secretary**

Appointed on **10 July 1999**

Resigned on **9 April 2001**

**FAIRCHILD, Simon Charles**

Correspondence address [REDACTED]

Role Resigned **Secretary**Appointed on **14 March 1997**Resigned on **12 August 2004**

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**FAIRCHILD, Timothy James**

Correspondence address 1 [REDACTED]

Role Resigned **Secretary**Appointed on **2 March 2001**Resigned on **12 August 2004**

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**GREGORY, Mark John**

Correspondence address [REDACTED]

Role Resigned **Secretary**Appointed on **2 January 1997**Resigned on **14 March 1997**

---

**VINCENT, Alan Godfrey**

Correspondence address [REDACTED]

Role Resigned **Secretary**Appointed on **12 August 2004**Resigned on **8 June 2010**

---

**BLACKFRIAR DIRECTORS LIMITED**

Correspondence address [REDACTED]

Role Resigned **Nominee Director**Appointed on **2 January 1997**Resigned on **2 January 1997**

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**FAIRCHILD, Simon Charles**

Correspondence address [REDACTED]

Role Resigned **Director**Date of birth **December 1965**Appointed on **14 March 1997**Resigned on **1 July 1999**Nationality **British**Occupation **Chartered Accountant**

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**FAIRCHILD, Timothy James**

Correspondence address [REDACTED]

Role Resigned **Director**

Date of birth **May 1973**

Appointed on **2 January 1997**

Resigned on **1 July 1999**

Nationality **British**

Country of residence **United Kingdom**

Occupation **Company Director**

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**REGISTERED NUMBER: 03298617 (England and Wales)**

**Financial Statements**  
**for the Year Ended 31 March 2018**  
**for**  
**Air Salvage International Limited**

**Contents of the Financial Statements  
for the Year Ended 31 March 2018**

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**Air Salvage International Limited**

**Company Information  
for the Year Ended 31 March 2018**

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**DIRECTOR:** M J Gregory

**SECRETARY:** B J Gregory

**REGISTERED OFFICE:** Hangar H1 Cotswold Airport  
Kemble  
Cirencester  
Gloucestershire  
GL7 6BA

**REGISTERED NUMBER:** 03298617 (England and Wales)

**ACCOUNTANTS:** GCSD Accountants Limited  
Chartered Accountants  
701 Stonehouse Park  
Sperry Way  
Stonehouse  
Gloucestershire  
GL10 3UT

**Chartered Accountants' Report to the Director  
on the Unaudited Financial Statements of  
Air Salvage International Limited**

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**The following reproduces the text of the report prepared for the director in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Director are not required to be filed with the Registrar of Companies.**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Air Salvage International Limited for the year ended 31 March 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the director of Air Salvage International Limited in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Air Salvage International Limited and state those matters that we have agreed to state to the director of Air Salvage International Limited in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Air Salvage International Limited and its director for our work or for this report.

It is your duty to ensure that Air Salvage International Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Air Salvage International Limited. You consider that Air Salvage International Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Air Salvage International Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

GCSD Accountants Limited  
Chartered Accountants

23 November 2018

**Balance Sheet**  
**31 March 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		43,030		48,515
<b>CURRENT ASSETS</b>					
Debtors	5	473,470		653,397	
Cash at bank and in hand		<u>588,825</u>		<u>232,108</u>	
		1,062,295		885,505	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>353,692</u>		<u>543,210</u>	
<b>NET CURRENT ASSETS</b>			<u>708,603</u>		<u>342,295</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			751,633		390,810
<b>CREDITORS</b>					
Amounts falling due after more than one year	7		-		(968)
<b>PROVISIONS FOR LIABILITIES</b>	9		<u>(5,815)</u>		<u>(5,531)</u>
<b>NET ASSETS</b>			<u><u>745,818</u></u>		<u><u>384,311</u></u>

The notes form part of these financial statements

**Balance Sheet - continued**  
**31 March 2018**

	Notes	2018 £	£	2017 £	£
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100		100
Retained earnings			<u>745,718</u>		<u>384,211</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>745,818</u>		<u>384,311</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the director on 23 November 2018 and were signed by:

M J Gregory - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 March 2018**

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**1. STATUTORY INFORMATION**

Air Salvage International Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax, after making any necessary adjustments for amounts invoiced in advance on contracts underway at the end of the current and previous year.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- at varying rates on cost
Plant and machinery	- 20% on cost
Office equipment	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

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**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 32 (2017 - 26) .

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**4. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Office equipment £
<b>COST</b>			
At 1 April 2017	49,429	56,867	26,272
Additions	-	19,980	-
Disposals	-	(2,554)	-
At 31 March 2018	<u>49,429</u>	<u>74,293</u>	<u>26,272</u>
<b>DEPRECIATION</b>			
At 1 April 2017	36,395	47,486	25,906
Charge for year	4,968	7,482	183
Eliminated on disposal	-	(1,876)	-
At 31 March 2018	<u>41,363</u>	<u>53,092</u>	<u>26,089</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>8,066</u>	<u>21,201</u>	<u>183</u>
At 31 March 2017	<u>13,034</u>	<u>9,381</u>	<u>366</u>
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2017	130,668	6,663	269,899
Additions	-	2,673	22,653
Disposals	-	-	(2,554)
At 31 March 2018	<u>130,668</u>	<u>9,336</u>	<u>289,998</u>
<b>DEPRECIATION</b>			
At 1 April 2017	106,893	4,704	221,384
Charge for year	13,163	1,664	27,460
Eliminated on disposal	-	-	(1,876)
At 31 March 2018	<u>120,056</u>	<u>6,368</u>	<u>246,968</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>10,612</u>	<u>2,968</u>	<u>43,030</u>
At 31 March 2017	<u>23,775</u>	<u>1,959</u>	<u>48,515</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade debtors	350,458	552,306
Amounts recoverable on contract	21,799	-
Other debtors	<u>101,213</u>	<u>101,091</u>
	<u>473,470</u>	<u>653,397</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Bank loans and overdrafts	1,052	12,352
Trade creditors	92,052	155,453
Taxation and social security	102,287	43,997
Other creditors	<u>158,301</u>	<u>331,408</u>
	<u>353,692</u>	<u>543,210</u>

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Bank loans	<u>-</u>	<u>968</u>

**8. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	183,238	363,712
Between one and five years	<u>230,667</u>	<u>865,694</u>
	<u>413,905</u>	<u>1,229,406</u>

**9. PROVISIONS FOR LIABILITIES**

	2018	2017
	£	£
Deferred tax	<u>5,815</u>	<u>5,531</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

9. PROVISIONS FOR LIABILITIES - continued

	Deferred tax
	£
Balance at 1 April 2017	5,531
Provided during year	<u>284</u>
Balance at 31 March 2018	<u>5,815</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
80	Ordinary A	£1	80	80
20	Ordinary B	£1	<u>20</u>	<u>20</u>
			<u>100</u>	<u>100</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.



# Air Salvage International

Air Salvage International (ASI) is a globally respected provider of professional asset management services to banks, lessors, insurance companies and commercial airlines. With experience of over 750+ projects worldwide over the last 22 years, our disassembly services have been at the industry forefront and have contributed to developing [Aircraft Fleet Recycling Association \(AFRA\)](https://afraassociation.org/) [\[https://afraassociation.org/\]](https://afraassociation.org/) Best Management Practices (BMPs). We've undertaken projects across the globe, including Togo, New Zealand, Dubai, Sudan, Ecuador, USA, Libya, Maldives and Cairo. We handle 14% of the global disassembly market annually – either at our UK Centre of Excellence, or airports across the world.

*Read more about our service standards ..*

*[<http://airsalvage.co.uk/airsalvage/about/>]*

## Contact us today:

Telephone +44 01285 771363

Or use our **Contact Form Here** [<http://airsalvage.co.uk/contact/>] to send us details of your enquiry.

VIEW ASI PROJECTS WORLDWIDE

### Key Services



- Fully accredited aircraft disassembly
- EASA Part 145 and Guernsey (2-REG) approved Line Maintenance
- Complete project management
- On-site consignee assistance

- Accurate inventory control and tagging
- Support with sale of airframe through extensive contacts
- AOG parts supply
- Aircraft registration/de-registration
- HMRC Customs import/export management
- Incident recovery
- Specialist tooling available for hire
- Airframe adaptation/rebuild

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## Facilities at Cotswold Airport



- 180,000 square feet of climate controlled engine/component storage
- Parking for up to 50 narrow/20 wide bodied aircraft
- Competitive parking rates available
- Well maintained aprons and stands
- Environmentally compliant airframe and fluid disposal
- On-site fabrication team
- HMRC Customs bonded warehousing

[READ MORE...](#)

## Our Location – Kemble, UK



Our 'Centre of Excellence' at Cotswold Airport, Gloucestershire is conveniently located within a few miles of the M4 motorway which enables easy access to Gatwick, Heathrow, Birmingham and Bristol Airport. Kemble train station, with a direct line to London Paddington, is a 5 minute drive away.

### **Air Salvage International Limited**

Hangars H1 and H2

Cotswold Airport

Gloucestershire

GL7 6BA

United Kingdom

**Telephone:** +44(0)1285 771363

**E-mail:** [sales@airsalvage.co.uk](mailto:sales@airsalvage.co.uk)

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TRENDING

Time running out to nominate for Pride of the Cotswolds

Waste collectors to start searching through public bins

Zulu War soldier honoured in poignant ceremony

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23rd September 2013

# Kemble's Air Salvage International is Business of the Year

By Charlotte Shepherd



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***Air Salvage International has been a world leader in dismantling and storing aircraft from its base at Cotswold Airport for 12 years. This year the company was flying high after picking up the award for business of the Year from the Cirencester Chamber of Commerce. Charlotte Shepherd met founder and managing director Mark Gregory.***

COTSWOLD Airport in Kemble has seen a host of different aircraft since the arrival of the RAF in 1938, from Hurricanes and Beauforts to Hawker Typhoons, Hawker Hunters and the distinctive Gnats of the Red Arrows.

TRENDING

Time running out to nominate for Pride of the Cotswolds

Waste collectors to start searching through public bins

Zulu War soldier honoured in poignant ceremony

But since the airfield passed from military to civilian hands, people driving past the runway are now more likely to see the civilian giant of the skies, the 747, parked on the tarmac, waiting to be dismantled by Cirencester Chamber of Commerce Business of the Year Air Salvage International (ASI). “We now average around six or seven 747’s a year in Kemble,” explained founder and managing director of ASI Mark Gregory. “It is quite something to see them when you drive past.”

On the day of our meeting, there were two 747’s each worth around \$12m (the aviation industry works in dollars).

This company’s core business is in stripping down and dismantling aircraft on behalf of major airlines and investors. “A plane is generally always worth more for spare parts than in the skies,” Mr Gregory explained.

Winning the award for Business of the Year (over 25 staff) came as a surprise to ASI. “I was very, very pleased,” said Mr Gregory. “We have never won an award before.”

Although ASI has used Cotswold Airport for the past 12 years, it has only been here on a large scale for five years, handling around 50 aircraft each year. “We are on track to handle 14 percent of the global fleet,” said Mr Gregory.

Planes are now big business as assets and 20 percent of the aircraft that come into Cotswold Airport are owned by hedge funds. Mr Gregory explained: “A lot of people see aircraft come in here but don’t understand what happens to them next. They don’t realise that we do not own the planes. They are owned by banks, investors and hedge funds – it could be your pension sitting there on the runway.

“There can be a substantial return for investors, but there can also be a risk,” he added.

Taking a risk is something that Mr Gregory knows all about. After being made redundant from his job as an engineer at Dan-Air, he used his redundancy money to buy a 748 plane from the airline. “I took it apart and sold the parts,” he explained.

His big break came when Philip Meeson (owner of Jet 2) trusted him with his fleet of 12 Heralds. “I had a contract with him to break up his aircraft. I owe a lot to Philip,” he said.

ASI now has 38 staff and is known internationally in the world of aviation. But it is not just in the business of tearing planes apart. ASI is also a storage facility for planes and operates as an umbrella for several different businesses including a maintenance company aimed at keeping aircraft flying.

2

[multi storey car park in Cirencester scrapped](#)

3

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# InsideMRO



Monarch Aircraft Engineering

An estimated 80% of Monarch Aircraft Engineering's winter base maintenance work emanated from the former Monarch Airlines fleet and accounted for around 50% of the MRO's overall output.

## MAINTENANCE, REPAIR & OVERHAUL

### New Year Brings Sad End To The Monarch Saga

Monarch Aircraft Engineering faces uncertain future after declaring bankruptcy in January.

James Pozzi | Jan 11, 2019

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After a turbulent 15 months that saw the collapse of its parent Monarch Airlines and the subsequent challenges of rebuilding its third-party customer base, Monarch Aircraft Engineering Ltd. (MAEL) entered bankruptcy on Jan. 4, resulting in the immediate loss of more than 400 jobs.

MAEL's board of directors appointed professional services company KPMG as administrators in early January to oversee the process after the company ran into financial difficulties and was unable to find a buyer.

Around 408 jobs were cut immediately, 250 of them at the company's base maintenance operations in Luton and Birmingham, England. The former, home to MAEL's headquarters since 1967, will also see a large cut to its staff as part of a further 158 layoffs. In the longer term, 178 staff will remain in their positions, with 83 staying temporarily to help wind down operations.

Just one day before the bankruptcy was announced, it was confirmed that MAEL's line maintenance activities had been sold in multiple transactions for an undisclosed amount, saving 182 jobs, according to KPMG.

Most of MAEL's aircraft maintenance jobs at London Gatwick, Birmingham, East Midlands, Newcastle and Glasgow airports were transferred to Morson Group, a UK-based industry recruitment specialist, while Storm Aviation, a domestic MRO, will take on the staff at Luton, boosting its line maintenance operations.

Some of Monarch's roles at Gatwick, where it had been a partner in Boeing's aftermarket network, will be transferred to the aircraft manufacturer. Line

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As of January, KPMG is still seeking potential buyers to take control of Monarch's continuing airworthiness management organization business, which offered fleet technical management services for Boeing and Airbus aircraft. The unit employs 27 people.

KPMG is also courting interested parties for MAEL's Luton-based training academy, which delivered European Aviation Safety Agency Part 147 and United Arab Emirates General Civil Aviation Authority CAR 147 aircraft type training. At the time of the administration announcement, the training academy employed seven staff and operated an apprenticeship program including 53 trainees.

Operating since 1967, MAEL has endured a turbulent 15 months since its affiliate carrier Monarch Airlines ceased operations in October 2017. Despite continuing as a standalone entity, the demise of Monarch Airlines resulted in the MRO unit inheriting historic debts estimated at more than £100 million (\$126 million).

After private equity firm Greybull Capital took majority control of MAEL about one year after the airline's collapse, it sought to restructure the MRO's legacy debts in the form of a company voluntary arrangement (CVA), a legally binding agreement between the company and its creditors allowing repayment of a proportion of debts over a set period. This followed speculation about a possible winding-up petition (a legal order that would force liquidation) from UK tax authority HMRC over unpaid taxes, which MAEL denied.

... with its own fleet accounting for around 30% of MAEL's maintenance output.

The effects of the loss of work were felt particularly in MAEL's winter base-maintenance schedule, with the Monarch fleet accounting for around 80% of its MRO output during the season. Despite renewing ties with Virgin Atlantic, Spanish low-cost carrier Vueling, Air Malta and long-term cargo customer DHL Express over the 2017-18 winter season, the company saw a dropoff in its customer base in the second half of 2018.

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According to MAEL's managing director, Chris Dare, the loss of customers was further accelerated by entering the CVA, which in turn influenced directors and shareholders to put the company up for sale late last year.

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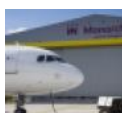
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#### MAINTENANCE, REPAIR & OVERHAUL

## TALA Adds Major Saudi Customer, Repair Station Capabilities

Company grows its approach to aerospace logistics.

Henry Canaday | Jul 09, 2019



Smart logistics can be worth as much as smart repairs in determining that critical maintenance variable, turnaround time. And there are innovations happening in logistics as well as repair techniques.

For example, The Aerospace Logistics Alliance (TALA) has just been awarded a logistics contract by a major Saudi Arabian MRO company. And TALA's parent company has also acquired its own Part-145 aircraft repair station.

TALA CEO Joël Glusman sees both developments as justifying his unique approach to aerospace logistics. "We will set up a team in Riyadh and Jeddah, and bring best logistics practices to Saudi Arabia," Glusman says.

expensive AOG duration by removing the old engine and replacing it with the new one as part of TALA's logistics offering. That could be worth more than \$1 million to the operator of a grounded widebody.

All this is added to a specific approach to aerospace logistics that TALA took from its startup in 2012. The company was spun off from France's Qualitair & Sea in order to be a global competitor to logistics providers like Kuehne + Nagel. But unlike other global logistics companies, TALA would confine itself exclusively to the aerospace sector.

Though founded in France and serving a global market, TALA established its base in Miami, Florida, because Miami had so many MROs and suppliers.

And Glusman traveled the world looking for another part of TALA's unique approach. He found about 60 local logistics companies serving 150 airports around the world that already did aerospace work. These would become his licensees as part of the TALA network.

The alliance of local aerospace logistics providers has grown in six years to about \$200 million in annual revenue. In addition to moving kilograms of aerospace parts, TALA generates and transmits kilobytes of data by constantly monitoring its customers' shipments.

TALA does not yet do demand forecasting for its customers, but Glusman says that service might be considered in the future.

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