

INVESTMENT IN NEW AIRCRAFT AND EQUIPMENT UPGRADE SEES UPLIFT IN OPERATIONS

Forward thinking finance.

THE STORY IN BRIEF:

- Flight Calibration Services Ltd (FCSL) carries out inspection and testing of airport navigation and landing systems
- The business was seeking asset finance for the refresh and expansion of their fleet of light aircraft
- Over the course of three plus years, we provided aircraft mortgages for six new aircraft, each with a five-year term
- We also provided funding for the purchase of new navigation testing equipment
- The new aircraft have significantly lowered FCSL's operating costs and enabled them to expand their operations in other geographical regions



FACT FILE:

- Sector:** Aviation
- Location:** Shoreham HQ, operating in 70 countries
- Turnover:** £5m – £25m
- Purpose:** Our client was seeking to refresh and expand their aircraft fleet, and also to invest in some new navigation testing equipment
- Solution:** 6 new aircraft acquired (over the course of three plus years) through aviation mortgages; new navigation equipment funded through HP agreement

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“We have a good relationship with Lombard and their funding arrangements are very competitive.”

Matt Taiyeb, CEO, Flight Calibration Services Limited

Keeping aircraft safely on course

Most airline passengers know a pilot completes pre-flight checks before take-off, but they may not be aware of all the tests undertaken on the navigation and landing systems at the airport itself. At 99% of UK airports (and others in the Middle East, Africa, and parts of Europe) it is Flight Calibration Services Limited (FCSL) that carry out the essential inspections of these systems. Much of their work is done at night aboard one of FCSL's own light aircraft, all of which are equipped with state of the art testing systems.

With so many flying hours involved, the efficiency and reliability of FCSL's fleet is critical to service delivery. In 2016, Managing Director Matt Taiyeb began an aircraft replacement and expansion programme. Looking for a sensible lending structure through which to finance their fleet of new aircraft, he approached a number of providers. “I chose Lombard because they offered the best value in the market,” he says, “They also provided an attractive financial structure and managed the importation of the new aircraft efficiently, making it easy for us to bring the aircraft into service without impacting our cash-flow.”

“FCSL is in a strong position – in fact, this year it won a Queen's Award for Enterprise for International Trade for the second time,” explains Lombard's Phillip Brown, who put together the finance package. “We really enjoy dealing with Matt and his team. It is a pleasure to count them as one of our business customers and we are pleased to have been able to support their plans for growth.”

The finance agreement enabled the phased acquisition of six DA62 light aircraft over three plus years; each was purchased using an aircraft loan and mortgage spread over a five-year term. FCSL also wanted to invest in some new navigation testing kit so Philip introduced them to Lombard's corporate asset finance team who arranged a separate HP agreement to help finance the equipment upgrade.

The new planes have enabled FCSL to expand its operations while dramatically lowering its operating costs. “Our older aircraft were more expensive to maintain,” says Matt, “Acquiring this fleet of DA62s enabled us to retire three old planes completely, while growing our fleet from four to six. The new planes require less maintenance so can be airborne more of the time. They also use Jet A1 fuel which is much cheaper than Avgas, used by the older fleet. The associated savings are substantial.”

Our working partnership with FCSL continues, with plans already in place for funding of another aircraft. “We place a lot of importance on our relationships with other companies” Matt says, “Lombard is responsive and supportive; they listen to our concerns and issues, they understand our requirements and tailor their finance solutions accordingly.”

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