

Aero Inventory goes into administration

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Aero Inventory an aircraft parts wholesaler went into administration last week. The reverse move follows the company's plan to move from the Alternative Investment Market (AIM) of the London Stock Exchange (LSE) to the main listing.

Jim Tucker, Richard Heis and Allan Graham of KPMG were appointed joint administrators last week at the request of company directors. The move follows Aero Inventory's decision to suspend shares on October 26. Trading is still suspended, according to a note on KPMG's website on Tuesday.

Tucker, who is the lead administrator at KPMG, says: "With a predicted combined loss across the airline sector of £11 billion this year, some of the resulting pressures were bound to feed through to the parts supply chain."

During the transition that included reviewing financial statements and other documents, accounting discrepancies were discovered, causing the company to become insolvent.

KPMG continues to run the company and has already cut 135 jobs from its UK office and has plans to reduce the 550-global staff to 135.

"Ultimately Aero was unable to generate enough cash to service its commitments," Tucker says. "The priority now is to stabilise the business."

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