From the Chair

Alan Rubenstein
Chief Executive
The Pension Protection Fund
Renaissance
12 Dingwall Road
Croydon CR0 2NA

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Monarch Airlines Limited Retirement Benefits Plan

In September 2014 the Pensions Regulator (TPR) provided clearance for the purchase of Monarch Airlines by Greybull Capital and approved a Regulated Apportionment Arrangement (RAA) whereby the company's defined benefit pension scheme entered PPF assessment the following month. In November 2016 the scheme was fully transferred into the PPF.

As part of the RAA, Greybull Capital provided a £7.5 million secured loan note from Monarch to the PPF, payable in instalments over the next three years.¹

Subsequent to Monarch's collapse last week, it has been reported that the company has "£48 million of cash in the bank", over which the owners Greybull have "a strong claim as primary secured creditor."²

In the light of the above, might I please ask the following:

1) Has the PPF to date received any payments from Monarch in respect of the £7.5 million secured loan note?

2) Where does the outstanding debt owed to the PPF rank in the order of creditor preference?

3) What action will the PPF take to secure any remaining monies due?

² Revealed: Monarch owner's secret deal with Boeing, John Collingridge, The Times, 8 October 2017
4) In the PPF's view, have any aspects of the financial arrangements underpinning Greybull Capital's acquisition and ownership of Monarch compromised the interests of the PPF?

5) Is the PPF still satisfied that the RAA and clearance deal approved in 2014 was the best outcome achievable at the time?

Best wishes and I look forward to hearing from you,

Rt Hon Frank Field MP
Chair