

Grwp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Public Accounts Committee

16 January 2017

Dear Mr Ramsay

Thank you for your letter of 15 December regarding Cardiff Aviation Limited (CAL).

A due diligence exercise was carried out on Cardiff Aviation Ltd in April 2012, by the Welsh Government prior to CAL taking occupation of the Twin Peaks building (Building 282 at St Athan). The due diligence report contains company commercially sensitive information and therefore we are unable to release it. The report is based on analysis of financial projections and qualitative detail contained in the business plan along with supporting correspondence, none of which is in the public domain.

To date, CAL has not paid any rent for their use of Twin Peaks. The company has put forward a number of reasons for not doing so. The Welsh Government disputes the basis for the non-payment, and we note that other companies operate from St Athan successfully without any issues. The Welsh Government is currently seeking legal advice regarding potential remedies and the recovery of the outstanding debt.

Officials have not received any direct correspondence from prospective third party customers of CAL expressing concerns about the facilities and services at St Athan. Neither was the Welsh Government involved in assisting CAL to bid for work with the company identified in your letter. Accordingly, we cannot provide any assessment of why CAL may have been unsuccessful in bidding for work.

Yours sincerely

Simon Jones
Director Transport and ICT Infrastructure