



Ein cyf/Our ref ATISN 11226

9 May 2017

Dear ,

Request for Information – ATISN 11226

I wrote to you on 5 April regarding your request for information. You asked for the following information relating to the Celtic Manor Convention Centre:

Is the overall value of the Welsh Government's financial contribution £22,567,808?

If not, what is the value and timings of the Welsh Government's financial contributions?

Is £83.7m the expected value of the Centre on completion?

What are the projected building costs?

If the Welsh Government ends up with 50% of the shares at a face value of £22,567,808 this suggests the overall value of the company is expected to be £45,135,616. Could you explain the discrepancy between £45,135,616 and the £83.7m figure?

When is the building work scheduled to be completed?

What is the value of the private loan finance secured over the property?

How much money are Celtic Manor-controlled companies paying in exchange for their shareholdings?

I would respond this request as follows:

- I can confirm that the overall value of the Welsh Government's commitment is £22,567,808.
- The £83.7m figure is the anticipated cost of the development of the International Convention Centre. The value of the business will be determined at the point of completion by reference to the value of the assets minus the value of the liabilities or by an independent value market assessment.
- The guaranteed maximum price building contract is £63,6m, other development packages including the building fit out bring the total cost to £83.7m. The building work is scheduled to be completed mid 2019, followed by final fit out and test events, prior to the formal launch later that year.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- The Welsh Government will own 50% of the shares in the company. This will be comprised of 22,567,808 £1 shares out of a total of 45,135,616 issued £1 shares. The figures of £45,135,616 and of £83,700,000 are not directly associated therefore is no discrepancy to be explained. The former is the value of the shareholding in the company at financial close of the Joint Venture; the latter is the development cost of the International Convention Centre. It should be noted that the final shareholding position of 45,135,616 £1 shares will only be achieved once the final equity payments are made by the shareholders during the 2019 / 20 financial year.
- The building work is scheduled to be complete in mid 2019.
- The cash value of the private loan is £50,000,000, although this rises to approximately £51,500,000 due to interest accumulated during construction.
- This is a 50:50 Joint Venture. The shareholdings are exactly equal with the cash and non-cash contributions matched. To clarify, the non-cash contribution from The Celtic Manor Resort Ltd is the land on which the International Convention Centre is being constructed. This was independently valued, prior to transfer of the freehold land into the ownership of WICC Ltd.

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit, Welsh Government, Cathays Park, Cardiff, CF10 3NQ or FreedomOfInformationOfficer@wales.gsi.gov.uk.

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely