



All Assembly Members

12 July 2017

Dear Assembly Member

Following questions raised in Plenary, I am writing to you with an update on Coilcolor Ltd in Newport.

My officials have been in close dialogue with the company since the flooding of the company premises occurred and the Welsh Government has always acted promptly in handling this case.

We facilitated the support of Finance Wales for Coilcolor in December, enabling the company to access financial support to continue trade whilst pursuing the insurance claim with their own insurers. All other avenues of potential Welsh government finance support were explored, but as the support received from Finance Wales was via their Rescue & Restructure (R&R) fund, we were unable to provide further financial support as this would contravene state aid. No without prejudice payment was ever promised by Welsh Government officials.

A letter was received from Coilcolor's solicitors at the outset relating to a claim for circa £600k. We instructed external solicitors, who invited details of the claim, but the company did not progress this. We have received notification of another claim, relating to a pay-out made to the landlord of the building, amounting to £58k. The advice from the Welsh Government's solicitor remains that we should not take any actions, or make any payments relating to the claim or the property until we have further details, including the full basis of both claims.

On 10<sup>th</sup> July we were notified that the company intended to enter administration and we await further details on this, however we stand ready to offer every assistance within our powers to support both the company and the employees.

Yours faithfully

**Ken Skates AC/AM**  
**Ysgrifennydd y Cabinet dros yr Economi a'r Seilwaith**  
**Cabinet Secretary for Economy and Infrastructure**

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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.