

Ein cyf/Our ref ATISN 15414



Llywodraeth Cymru
Welsh Government

3 September 2021

Dear

Request for Information – ATISN 15414

I wrote to you on 13 August regarding your request for information.

Information requested

1. Is the purchase by Transport for Wales (TfW) of Pullman Rail an asset purchase or a purchase of the equity in Pullman?
2. How much did TfW pay for Pullman?
3. What due diligence did TfW undertake before purchasing Pullman?
4. Who conducted the due diligence?
5. From the due diligence exercise, are any of the contracts that Pullman have making losses?
6. What is meant by arms-length support, does TfW intend to subsidise the company in case of financial distress?
7. Was Pullman openly marketed for sale or did TfW approach Pullman i.e. was it an unsolicited purchase?
8. Will Pullman compete for non-TfW business?
9. Will TfW favour Pullman when assessing future tenders?

Our Response

I confirm the Welsh Government holds some information caught by your request.

TfW completed an asset purchase of Pullman Rail Ltd from the Colas Group. The purchase price of the shares in Pullman Rail Ltd was £10,850,452. A piece of land was also acquired from Pullman Rail Ltd outside the share purchase agreement for £600,000. In addition, an existing £6,000,000 loan between Pullman Rail Ltd and the



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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 .

Colas Group was fully paid and replaced with an equivalent repayable loan between Pullman and TfW.

TfW undertook full Due Diligence including business and land valuation. The Due Diligence was undertaken by Deloitte, Alder King and Blake Morgan (legal advice). In addition to this, the enterprise valuation included a specific user Value-for-Money assessment to evidence the specific value of Pullman Rail Ltd to TfW. This included synergy on existing committed projects for new fleet delivery, maintenance requirements and operational flexibility for train service design, as the site is immediately adjacent to one already controlled by Transport for Wales. The Pullman Rail site is a rail maintenance and refurbishment facility, which in addition offers train stabling capability.

We do not hold any information for your remaining questions.

It is likely TfW will also hold some of the information you have requested. Information on making FOI requests to TfW is at <https://trc.cymru/freedom-information>.

Next steps

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 Email: Freedom.ofinformation@gov.wales. 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