

**Y Pwyllgor Cyfrifon Cyhoeddus a
Gweinyddiaeth Gyhoeddus**

**Public Accounts and Public
Administration Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddCCGG@Senedd.cymru
senedd.cymru/SeneddCCGG
0300 200 6565

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddPAPA@senedd.wales
senedd.wales/SeneddPAPA
0300 200 6565

Andrew Slade,
Director General, Economy, Energy and Transport
Welsh Government

03 December 2024

Wales Life Sciences Investment Fund

Dear Andrew

Further to your sharing of the closure review and earlier responses to queries raised following our evidence session on this topic, the Committee is looking to draw its interest in this matter to a close and will report on the evidence it has received in due course.

Before that, we would welcome a general update on developments with the Fund, as we look to provide a succinct summary of the Fund's transactions. Our specific requests for updates are set out in the annex to this letter.

The clerking team, supported by Audit Wales staff, would be happy to meet with officials to discuss the context of these requests and any issues of interpretation that may need to be resolved before you respond.

Please could you respond by 16 January 2025.

Yours sincerely,



Mark Isherwood MS
Chair of the Public Accounts and Public Administration Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.

Updated position and developments

- Could you please provide an updated position of the fund (noting Companies House still shows that it is 'active'), the residual assets of the fund, including the current valuation of any assets still held by the Development Bank of Wales (DBW).

Summary of the fund's transactions

- Could you provide a detailed summary, by year, of fees/reimbursements paid to the fund manager/Arix (as a limited partner/investor) throughout the fund's duration. Additionally, please indicate how these fees were calculated and the purpose of any reimbursements.
- Could you provide a detailed summary of all divestments (either through the sale of investment or write-offs for liquidated companies) throughout the fund's duration.
- Could you provide a detailed summary of all other transactions that have not been accounted for in previous evidence such as audit fees, brokerage costs, loans etc.
- To support the response above around fees, we would welcome sight, or at least a summary of, the findings of the in-depth review of fees that the closure report says was conducted in 2023.

Support to invested business

- We previously raised a question around whether any sums involved in the 'co-investment at deal level' figure of £273 million included any public purse monies beyond the Fund's own investment. We also asked about any other direct public investment or wider grant support in any of the companies invested in by the Fund, but outside of the Fund itself. The Committee would still welcome confirmation of any public funding support that the various companies invested in by the Fund received from the Welsh Government or Finance Wales/DBW (in whatever form) during the lifetime of the Fund but outside of the Fund arrangements itself (i.e. under other programmes of support).

Other matters

- When we took oral evidence, we heard that DBW was planning an evaluation of the Fund and that it was aiming to complete this by the end of the 2023-24 financial year. You have since provided a copy of the closure report. However, some of the dates in this document suggest that it had largely been produced before our evidence session and that it had been due for submission to the Welsh Government by the end of September 2023 (although it also refers to submission by the end of October 2023). We would be grateful if you could confirm the chronology of the closure review report and its approval and whether there was ever any intention of producing any separate/broader evaluation report.
- We note the closure review states that DBW's responsibility is to pay the final fund returns to Welsh Government upon the end of the realisation term of the remaining investments at a date to be agreed by DBW and Welsh Government, which is no later than 31 March 2025. It also states that DBW will undertake an end of realisation review at that point. We would welcome an update on these arrangements and an overview of what the end of realisation review would cover in the context of some of our above requests and so that we can

understand its potential relevance to the content and timing of any reporting by the Committee on the outcomes from the Fund.