

From: James A. McColl [Redacted]
Sent: 20 April 2017 14:53
To: Cabinet Secretary for Finance and the Constitution [Redacted]
Cc: [Redacted]
Subject: FAO Derek Mackay MSP
Importance: High

Dear Derek

Following our call yesterday, please find attached a schedule of the proposed payments required by Ferguson Marine Engineering Ltd under Contract 801/802 in the situation that the £25m Refund Guarantee cannot be underwritten by the Scottish Government.

A number of the reprofiled cash payments have been added to existing milestone tasks but some of the other payments are to be made against either a new milestone task to be defined and agreed with CMAL or indeed simply referenced to a specific date.

I can confirm that both vessels are on plan to be launched before the end of the year (801 August and 802 November) at which time CMAL will have the benefit of the £25m Refund Guarantee and legal title over the vessels.

As I outlined to you, the end of April is a critical date for us in terms of cash requirements. [Redacted] The equipment from these two suppliers is critical to the vessel build programme and meeting expected delivery dates. You will therefore note that the proposed April CMAL payment is £7m.

I would be happy to send attached cash payment schedule to CMAL direct and have the company start to engage with them on the new milestones which will be required but appreciate that you may wish to discuss further with Transport Scotland and CMAL in the first instance.

I appreciate your support to this matter and your understanding as to the urgent nature of the matter. As we do require the first of the revised payment instalments by the end of April, it would be great if you could provide feedback to me by close of play Monday 24th April.

Kind regards

Jim McColl

Jim McColl
Founder, Chairman & CEO
[Redacted]

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