



## Business, Energy and Industrial Strategy Committee

Committee Office, House of Commons London SW1A 0AA

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David Dunkley  
CEO, Grant Thornton  
30 Finsbury Square  
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Dear David,

As you may be aware, the Business, Energy and Industrial Strategy Committee is currently conducting an inquiry into *Liberty Steel and the Future of the UK Steel Industry*. As part of its inquiry, the Committee is looking into the financial arrangements of GFG Alliance companies and how GFG Alliance was able to finance the acquisition of UK steel assets.

It has been reported that Grant Thornton advised Sanjeev Gupta on the purchase of the Lochaber aluminium smelter and two hydro-electric dams from Rio Tinto in December 2016. Accounts for Simec Lochaber Hydropower 2, part of the GFG Alliance, show that Grant Thornton revalued these assets upwards to £565 million on the day of the sale. This valuation was then used to raise debt against these assets in two separate tranches of bonds worth £360 million and £260 million, securitised by Greensill.

We would be grateful if you could provide a written response to the following questions, to aide our understanding:

- Which factors led to a valuation of these assets upwards to £565 million on the day of the sale?
- Was the Scottish government's 25-year Guarantee and Reimbursement Agreement (GRA) to guarantee a proportion of the payments due by the smelter to the hydro plant, a factor in valuing these assets upwards?

Please note we may publish your response on our website.

**Darren Jones MP**  
**Chair, Business, Energy and Industrial Strategy Committee**