

Cross-discipline advice in complex MandA deals

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You don't need targeted digital content aimed at millennials, social media memes or a legion of brand ambassadors to market and sell a pint of Liberation Ale at the Old Court House on a Friday evening - it pretty much sells itself. In a similar way, from the perspective of an investor, the attraction of the Liberation Group last July was clear – the group held valuable property assets including 94 pubs and two award-winning breweries, and its strong cash generation and dividend yield made it a prime target.

And on the surface, the deal to sell the group from LGV Capital to Caledonia Investments plc for £118 million probably looked pretty straightforward too. M&A activity is hardly uncharted territory for offshore law firms, and at its heart, the deal was a property-rich M&A transaction.

In reality, of course, there was far more to it – just as there was for the other major local deals that Ogier's team worked on in 2016, most notably the £435 million sale of Elia (part of the Ogier group until an MBO three years ago) to Intertrust, the sale of the Sandpiper Group to a consortium of local investors which completed last February, the £45 million sale of quarrying business Ronez by Aggregate Industries and the joint venture between the Guiton Group and Kodak to print local and national newspapers here in the Island for the first time.

The Liberation Group deal demonstrated several things as a case study in local M&A activity: first, Caledonia's plans to grow the existing group both organically and through the acquisition of pubs in the south of England; second, a welcome display of confidence in Jersey and Guernsey's economic prospects in a deal that was announced just days after the Brexit referendum result was announced; and third, the strength and reach of Ogier's Channel Islands local legal services team.

The purchase of 94 managed and tenanted pubs in the Channel Islands and the south west of England, two award-winning breweries and three drinks distribution businesses required input

and advice across a range of legal disciplines, with lawyers specialising in areas as diverse as competition, planning, property, employment, liquor licensing, corporate and finance all involved in the deal.

It also required advice across jurisdictions on the laws and relevant regulations of Jersey, Guernsey and Alderney.

The Property Law team were heavily involved, conducting property, planning, environmental and construction law due diligence across the entire Liberation property portfolio including 53 properties in Jersey, another 32 in Guernsey and four in Alderney. The team also had to review and report on operating licenses covering alcohol sales, alfresco, entertainment permits, thrift club permits and gaming licenses.

The Corporate and Finance team's work on the transaction included advising on the share purchase agreement and finance arrangements – along with corporate and finance due diligence, reviewing Jersey and Guernsey law security interest agreements and preparing and reviewing conditions precedent.

Advice on Competition Law was also needed, as the transaction requires the prior approval of the Channel Islands Competition and Regulatory Authorities before it can be completed (approval that has now been granted).

The Employment Law team advised Caledonia on Jersey and Guernsey employment legislation, and issues around business licensing and housing, which operate under very different legislation in both islands.

The deal illustrates that there is no such thing as a “typical” transaction – and also no end to the variations that M&A deals can involve. It is far from usual, for example, to have to review parish alfresco permits let alone thrift club permits granted by the Jersey Gambling Commission.

The other major deals demanded different disciplines – the Ronez deal, for example, demanded more input on the health & safety and environmental sides of the transaction, while the Elia deal took place against a complex backdrop of financial services regulation across 14 separate jurisdictions.

The range of separate legal disciplines involved in these deals demonstrate that, while offshore law firms might naturally be expected to focus on international work, there's a clear need to maintain expertise across the full range of local legal services. The legal elements of the deal to acquire the Liberation Group, just like any other commercial M&A deal, hinged on the ability to deliver consistently thorough, responsive and commercially-driven advice focusing on exactly what the client required across disparate legal disciplines that no single lawyer could possibly be expected to provide.

For this kind of work, clients need to know that they can rely upon quality legal advice that comes not just from years of experience, but also from the breadth of understanding of a full team combining corporate and finance expertise with local legal services. They also need to know that their legal advisers can get straight to the point, manage the complexity of working cross-discipline and cross-border, and focus on delivering what really matters most.

With eight international offices and a diverse, award-winning practice, Ogier may be better known for international work, but we have never taken our focus away from the local market, where clients demand the same exacting standards in taking opportunities, managing challenges and mitigating risk. In the last 12 months, Ogier has been named Best Offshore Law Firm by Chambers Europe, Hedgeweek Awards and most recently the Citywealth Awards. We're proud of those awards and the hard work that goes into winning them – but a better demonstration of the strength of our teams is the fact that we are the firm that clients come to when M&A deals get complicated.

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