

## Not as simple as it may seem

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### Not as simple as it may seem: Jonathan Hughes writes on the complexities behind a major local deal in the Channel Islands

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A cool pint of Liberation Ale at the Old Court House or the Deerhound Inn pretty much sells itself. In a similar way, from the perspective of an investor, the attraction of the Liberation Group was clear - valuable property assets, strong cash generation and dividend yield made it a prime target.

On the face of it, the agreement to sell the group to Caledonia Investments plc in July was a similarly simple proposition - a straight-forward property-rich M&A deal involving the acquisition of a pub and brewery chain by an investment trust company for £118 million.

In reality, there was far more to it.

The deal demonstrated several things: 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 just days after the Brexit referendum result; 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 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.

The Employment Law team advised Caledonia on Jersey and Guernsey employment legislation, and issues around business licensing and housing.

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 al fresco permits let alone thrift club permits granted by the Jersey Gambling Commission.

The range of disciplines involved 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 acquisition of the Liberation Group 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. 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.

## About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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