

CASE STUDY

CORPORATE ADVISORY



INTRODUCTION

Delaware North is a world leader in the food, hospitality, and gaming sectors. It operates high-profile and iconic locations around the world, including London's Wembley Stadium, the Singapore Sports Hub, Melbourne Olympic Park, and Sydney Cricket Ground. As a privately owned US company with annual revenue exceeding US\$3 billion, Delaware North has been a significant player in the food and hospitality business in Australia for many years.

PROJECT OBJECTIVE

The AJ & Co Corporate Advisory team, led by Jonathan Whybird, was appointed early in 2018 to assist Delaware North with the acquisition of the Shafston and Aspley hotels in Brisbane. We were engaged following a troublesome due diligence process that was being managed by one of our competitors. The client wanted these problems identified and dealt with quickly.

Our first recommendation was to restructure the sales process to ensure that both acquisitions were a 'going concern' and, therefore, GST-free. This resulted in significant savings for the client.

The next step was to ensure all necessary information was provided by the vendor's lawyers and agent. As part of this process, we recommended ways to resolve outstanding due diligence issues. This included negotiating sensible commercial solutions with the vendor so that the risk was appropriately shared by both parties. As this was a new line of business for Delaware North in Australia, our team worked with the company's key executives to ensure they had all the information and tools required to run the business successfully once the acquisition was completed.

Timing was a critical factor, as the transactions had already dragged on for months and legal issues were impeding acquisition completion. Our team was able to efficiently isolate and resolve the key issues, including cost allocation, development approvals, and warranties, therefore allowing both parties to move forward.

Key services provided by AJ & Co Lawyers included:

- Construction contracts - drafting and negotiation;
- Contract management, compliance, risk management, and performance monitoring advice;
- Building and construction contracts and subcontract;
- Drafting and contractual notice review;
- Professional services contracts and disputes;
- Tendering, probity, project briefs, and contractual arrangement advice;
- Risk review of contract documentation for bid purposes; and
- Drafting and negotiating joint venture agreements and alliance contracts.



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WHY THE CLIENT CHOSE AJ & CO

A key factor in reaching completion so promptly was that we were able to swiftly obtain third party consents and work with the various government departments; as AJ & Co only acts for private business, we have developed excellent relationships with key government stakeholders and public servants.

These individuals are accustomed to working with us and are comfortable engaging with our team. This allows us to work closely and efficiently with third parties in order to identify and procure practical solutions.

However, in the case of this project's history, many challenges were presented and the guidance provided by AJ & Co as to what legal issues were and were not important was critical to navigate all challenges and reach a successful conclusion.

CLIENT FEEDBACK

'All of our negotiations are tough. Jonathan and the team at AJ & Co helped us get through two pub acquisitions that were causing us some major issues. At the last minute, the lawyers on the other side were being unreasonable and uncommercial. Jonathan stood firm and handled the negotiations to ensure we got the best outcome.'

Dennis Tuan-Mu
Legal Manager
Delaware North

