

STRIKING A DEAL FOR 'STRYKERS'



Bowled over by a successful deal, pictured left to right, Kulwant Samra, Dawn Sebbage, Hawkins Hatton, Colin Rodrigues, corporate partner, Hawkins Hatton.

We helped the owner of Strykers Tenpin Bowling Centre in Wolverhampton strike a deal for the sale of the business.

The centre in Shaw Road, Bushbury has been acquired by the nationwide tenpin bowling operator Garland Leisure for an undisclosed sum.

We acted for the former owner of Strykers, Kulwant Samra, advising on the sale of the goodwill and assets. Garland Leisure is to operate from the premises which also features a bar, restaurant, function facilities, childrens play area and amusement arcade.

Garland Leisure, the UK's third largest tenpin bowling operator, now runs 19 sites across the country and the acquisition of the 24-lane Strykers facility is the latest in the company's fast growing empire.

Colin Rodrigues, our corporate partner, said: "We were delighted to play a lead role in the sale of the business which brings a number of benefits for the parties involved. Our client has been able to realise the value of his investment in growing Strykers over recent years, whilst for Garland Leisure the acquisition is an excellent strategic fit with its plans to expand the tenpin bowling business."

"Sometimes deals can go down a blind alley, but this one was a perfect strike!"

WE HAVE BEEN APPOINTED TO HSBC REGIONAL PANEL

We have received a major boost with our appointment to HSBC Bank's West Midlands regional panel.

The appointment will enable us to act for the bank on client business and is a further indication of our growing stature in Birmingham and the wider West Midlands corporate finance community, where we continue to develop our transactional work.

Our corporate partner Colin Rodrigues and managing partner Harminder Sandhu both have extensive experience of working in city centre practices and have played a key role in developing our firm's fee revenues.

Over the last two years we have also developed a commercial property arm of the practice which has been an invaluable addition to our niche corporate advisory services.

Colin Rodrigues said: "The successful appointment to the HSBC regional panel should give us the opportunity to continue to increase our revenue stream and boost the commercial property department in its own right."

"We already share several large West Midlands-based clients with HSBC and are looking forward to developing our working relationship with the bank further, particularly as it is currently seen as one of the most pro-active financial institutions in the marketplace."

Kevin Skym, area commercial director for HSBC Bank based in Wolverhampton, said: "Hawkins Hatton have built a good reputation in the corporate finance community and we look forward to developing our working relationship with Colin and the team."



left to right, Dawn Sebbage, Hawkins Hatton, Kevin Skym, area commercial director, HSBC, Gary Riley, HSBC and Colin Rodrigues, corporate partner, Hawkins Hatton.

DEALS DIARY

June 2011
CHAIN OF FLORISTS
Sale of Shares
Hawkins Hatton LLP
acting for the Purchaser

July 2011
RESIDENTSLINE LIMITED
Sale of Shares
Hawkins Hatton LLP
acting for the Vendor

July 2011
SHEET METAL FABRICATION
Staged buy back of Shares
Hawkins Hatton LLP
acting for the Company

July 2011
LEARNING DIFFICULTIES SUPPORT
BUSINESS
Buy back of Shares
Hawkins Hatton LLP
acting for the Company

July 2011
PHARMACEUTICAL BUSINESS
Sale of Shares
Hawkins Hatton LLP
acting for the Purchasers

August 2011
CLEANING COMPANY
Sale of Shares
Hawkins Hatton LLP
acting for the Vendor

August 2011
STEEL STOCKHOLDERS
Sale of Shares
Hawkins Hatton LLP
acting for the Purchaser

September 2011
CLIFFORD HOUSE LIMITED
Sale of Shares
Hawkins Hatton LLP
acting for the Vendor

September 2011
ANTIQUES DEALERSHIP
Sale of Assets
Hawkins Hatton LLP
acting for the Purchaser

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- Residentsline Poised for Further Growth

SOUND PROPERTY ADVICE WILL SUPPORT REFINANCING



Good quality advice when acquiring property can save time and headaches with any subsequent refinancing.

In these uncertain commercial times businesses need to be aware of the legal processes involved in refinancing or 'changing banks' and the importance of obtaining good quality legal advice at all times.

Benjamin Jones explains why seeking legal advice at the outset will also avoid frustrating delays when a company is keen to move on to an improved banking package.

Many corporate clients do not appreciate that refinancing will invariably involve the new bank insisting on taking a legal charge over the company's freehold or leasehold property and that the bank will usually require a full Report on Title or Certificate of Title before doing so. This is a document completed by a firm of solicitors acting on behalf of the bank to confirm that the company has good and marketable title to the property and reports on any adverse matters. Prior to completing the Report on Title or Certificate of Title, title to the property would be fully investigated in a

similar manner to that which would be adopted if the company were acquiring the property from a third party at arms length.

Solicitors acting on behalf of the new bank will investigate title by carefully considering the registered or unregistered title(s) in order to confirm whether there are any adverse or onerous covenants, conditions, agreements, stipulations, restrictions, rights, easements, encumbrances, charges or other third party interests in the property. In the case of tenanted property this would involve a report on the occupational lease(s). Many businesses do not appreciate that if a property is owned by a holding company but occupied by a trading company, the bank will often require a commercial lease to be put in place between the parties in order to ensure that the position is formally regularised.

The bank will also often require full searches and enquiries to be carried out in relation to the property which usually include a local search as well as searches covering environmental, water/drainage, mining and a chancel repair liability. These searches can reveal important information in relation to the property (e.g. statutory schemes and proposals) which could affect the bank's decision to lend and solicitors will be unable to give a clear Report on Title or Certificate of Title without undertaking them.

An up to date valuation report, in which a surveyor will make various assumptions in arriving at the final valuation, will also normally be required. It is for the solicitors to confirm whether the assumptions correctly reflect the position and whether any adverse matters need to be reported to the bank.

The bank's aim in securing a solicitors' Report on Title or Certificate of Title is to ensure that it can rely on these documents should it need to exercise its power of sale pursuant to the Legal Charge in the event of the company's default. In such circumstances the bank will usually wish to dispose of the property in order to use the proceeds of sale to recover sums due to it and the bank will wish to ensure that there are no factors which would affect its ability to do so. If there are adverse matters affecting the property which could hinder this process then the property's value for secured lending purposes will be affected.

The easiest way to ensure that any refinancing proceeds smoothly and to reduce delays is to ensure that good quality legal advice is obtained on the acquisition of the property so that the company is fully apprised of any title issues and appropriate solutions are sought at that time.

It is not unusual for adverse matters to be revealed by solicitors' due diligence involved in producing the Report on Title or Certificate of Title which were not revealed by the solicitors acting on the original acquisition of the property. Many of these issues should have been capable of discovery at the acquisition stage and can be as serious as a discrepancy in the boundaries; the property not having a legal right of way; the property not having a valid planning permission for the existing use; or the adverse results of an environmental search.

Whilst these issues can normally be resolved by carrying out further investigations, or producing evidence in the form of one or more statutory declarations and/or indemnity insurance, they will cause delay. If in contrast these matters had been dealt with on the original acquisition of the property, the company is less likely to experience the frustration of delay when a move to an improved banking package is being considered, which may be an urgent and pressing requirement of the business.

In short, by obtaining quality legal advice at the acquisition stage from solicitors who are at all times efficient and thorough in their approach, your business will be better placed to implement future strategic decisions, such as refinancing.

INSURANCE FIRM SALE WILL LEAD TO FURTHER UK GROWTH

Residentsline, the Wolverhampton based specialist provider of insurance solutions for blocks of flats and apartments, is poised for further growth in the UK following its acquisition by CHU, Australia's largest strata insurance underwriting agency.

We advised the directors of Residentsline on the share sale of the business.

Residentsline clients include residents management companies of blocks of flats, property management agents, right to manage companies and freehold owners who require an exclusive range of insurance products specifically designed for their needs.

Belinda Thorpe and Neil Abel the former shareholders, will remain in the business working alongside the new owners at CHU.

She said: "With additional investment we will be introducing new products and services to the UK market place as well as opening a new office in London. We will continue to offer innovative insurance solutions for the UK flats market, based on our combined understanding of the leasehold industry."

Since its formation in Australia 30 years ago, CHU has consistently led the market by providing unrivalled knowledge and experience. In 1989 the firm started operations in the United States where it now writes over 15,000 policies across 35 states and more recently it set up an operation in the United Arab Emirates.

Commenting on the acquisition, a CHU spokesman said: "The deal with Residentsline marks our arrival in the UK and will enable us to provide customers with a unique point of difference based on our understanding of the unique complexities, risks and requirements of this market."

Colin Rodrigues, our corporate partner, worked alongside Terry Hitchen from Garratts Accountants, advising Residentsline directors throughout every stage of the sale process. "The due diligence process was new to us, but Hawkins Hatton were always on hand to guide us and ensure we understood each stage of the process," added Belinda Thorpe.



Left to right – Colin Rodrigues, our corporate partner, Terry Hitchen, Garratts, Dawn Sebbage, Hawkins Hatton and Belinda Thorpe (front), Residentsline.