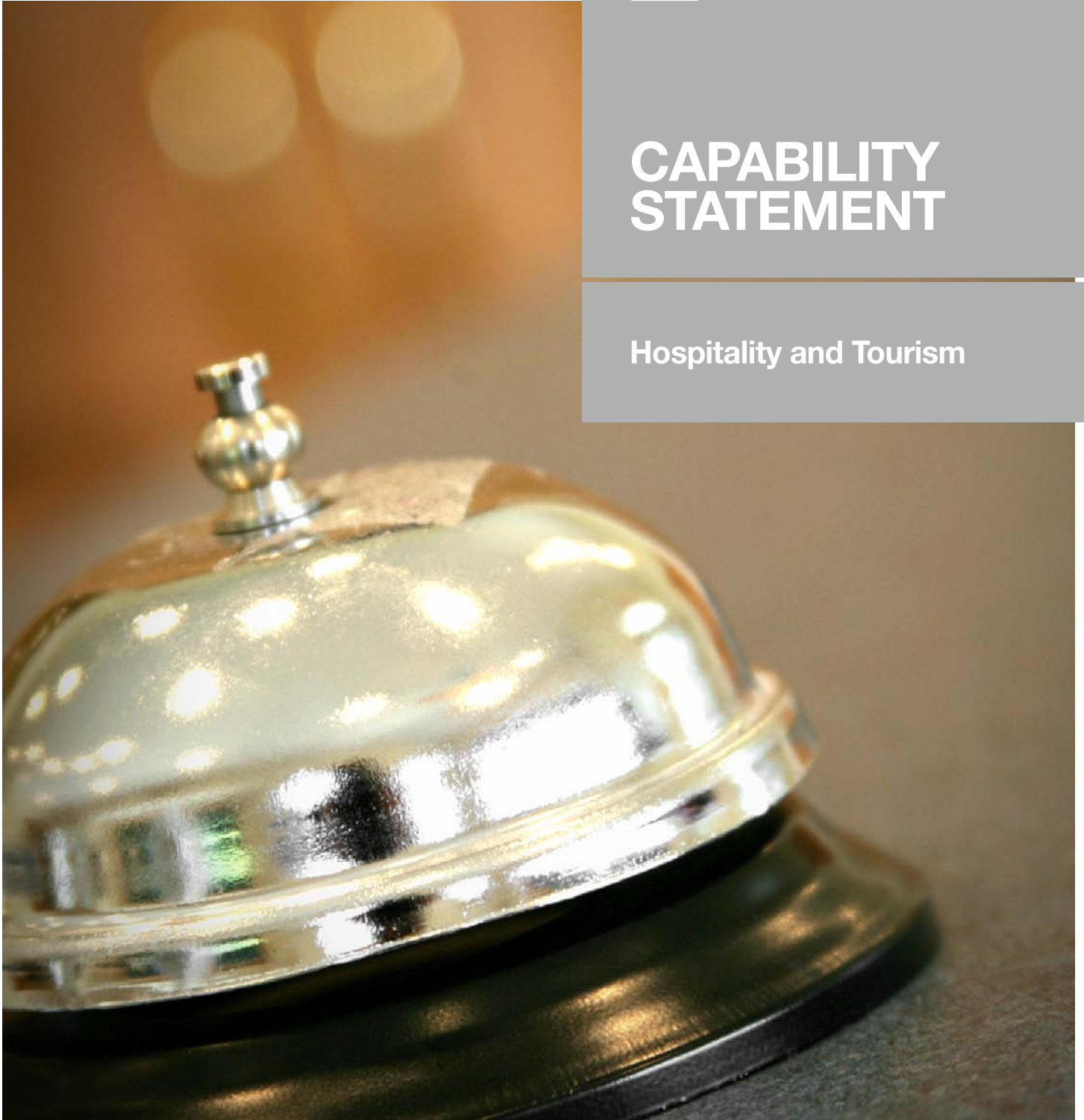


# CAPABILITY STATEMENT

Hospitality and Tourism



## INDUSTRY SUMMARY

The Australian hospitality and tourism industry contributes around \$180 billion to the national economy and employs over 500,000 people across a wide range of businesses.



- Businesses in this industry include:
- travel agent services
  - tour operations
  - accommodation
  - domestic and international air service
  - cafes and restaurants
  - motor vehicle hiring
  - clubs
  - pubs and taverns
  - casinos

With the Australian hospitality and tourism industry operating in a globally competitive market, factors such as unfavourable exchange rates, high fuel prices and rising interest rates are all having an adverse effect on the industry. The strength of the Australian dollar is having a negative effect on the economy by keeping overseas visitors away, while at the same time, encouraging Australians to holiday abroad.

However, as the GFC fades, foreign investment into Australian tourism and hospitality assets is playing a large role in providing a platform for a strengthening industry, with investors from South-East Asia dominating transaction activity in recent times. Throughout 2010 hotel transactions rose and valuations continued to stabilise, resulting in the growing demand for Australian hotels.

## OUR EXPERTISE

Taylor Woodings has gained significant experience in the hospitality and tourism industry through a variety of appointments. We provide a range of services across this industry, including:

- **formal appointments**
- **strategic recovery advice**
- **workout and restructuring assistance**
- **pre-lending reviews**
- **investigating accountants reports**
- **forensic advice**
- **leasehold valuations**

Our experience covers formal and informal engagements for financiers, including the trading and selling of assets, such as motels, restaurants, major luxury and hotel chains, backpacker hostels, clubs, pubs and taverns.

Taylor Woodings offers clients a detailed understanding of corporate recovery and insolvency in the hospitality and tourism industry. Through our experience, we have developed strong relationships with a range of contacts and expert advisors including valuers, real estate agents and management who can provide specialist advice targeted to this industry. This ensures that we are able to provide timely, accurate and clear advice that is specifically relevant to our clients' needs and objectives.

## WHAT TAYLOR WOODINGS OFFERS

### THE RIGHT RELATIONSHIPS

Taylor Woodings has developed strong relationships with operators who have significant experience in the hospitality and tourism industry, which is vital to the success of assignments. These operators provide appropriate management and strategic advice on how to improve businesses while they are trading. Our relationships give clients confidence that Taylor Woodings is handling appointments as efficiently as possible.

### SALES

In the hospitality and tourism industry, every sale is unique. There are many factors that differ from asset to asset such as, the method of sale, target market and the structure of the transaction. Taylor Woodings has advised on a number of asset sales in the Australian hospitality and tourism industry, in both formal and informal capacities where we have achieved superior results.

### TRACK RECORD

Taylor Woodings has the necessary experience and resources to advise on all types of assignments in this industry. We have been appointed to many hotel, backpacker, restaurant and other hospitality and tourism assets and businesses around Australia, and provided innovative solutions to maximise the returns for our clients. For example, we built a waste treatment plant to adhere to council concerns for a particular motel.

### EFFICIENT SERVICES

Businesses operating in this industry require efficient corporate services in order to successfully deal with the operational issues unique to the industry. Taylor Woodings allocates the most appropriate resources to assignments, including, if required, external consultants who have experience in and a clear understanding of the industry. This approach allows businesses to run efficiently while keeping costs to a minimum.

# CASE STUDIES

## The Bernly Backpacker Hostel, Sydney NSW

01

Taylor Woodings was appointed Receiver and Manager to a 100 room budget hotel in Sydney's Kings Cross that had been downgraded from a traditional, three-star hotel to a budget hotel, adversely affecting profitability. In addition, the director failed to correctly record revenue, making it difficult for the secured creditor to monitor trading performance. This caused a breakdown in relations that later led to the loan facilities no longer being serviced by the company.

On our appointment, we engaged the services of a specialist budget hotel and backpacker consultant. In conjunction with the consultant, we:

- restructured several operational areas of the hotel in order to reduce costs. This involved contracting out the cleaning function and re-staffing the front office
- implemented several marketing initiatives that increased occupancy levels from 40 per cent on our appointment to above 75 per cent
- committed funds to capital expenditure allowing increased tariffs to be charged and occupancy to be increased
- appointed agents to run a comprehensive sale campaign which resulted in the property being sold significantly above valuation and sufficient to payout the secured creditor in full

During the receivership, the director commenced legal action against the Receiver and Manager and secured creditor for invalidly appointing receivers and enjoining the sale of the property. We prepared a brief of evidence that resulted in the case being dismissed with costs awarded against the director.

## Waratah Park, Sydney NSW

02

Taylor Woodings was appointed Voluntary Administrator of a well-known animal sanctuary and tourist attraction located in Sydney because the company failed to fulfill its obligations to provide an environment for the animals that met regulatory requirements.

As part of our assignment, Taylor Woodings undertook an assessment of the current position of the business, liaised with regulatory bodies, and oversaw the removal of third party plant and equipment stored on the business premises. We also conducted a sale campaign focusing on alternate uses for the site and business infrastructure, and ultimately sold the crown lease and business infrastructure to a publicly listed company. We achieved a favourable result for the creditors of the Company, with the sale price far exceeding the value attributed to the business and property.

## The Sebel Hotel, Perth WA

03

Taylor Woodings was appointed Receiver and Manager of the Sebel Hotel in Perth's CBD after the hotel breached valuation and other covenants. The hotel was a 130 bed, three and a half-star hotel with dining and bar facilities. At the time of our appointment, we were required to attend to urgent occupational health and safety issues arising from a previously lack of capital expenditure.

Taylor Woodings traded-on the business for three months while offering the hotel for sale and negotiating with directors and guarantors.

Offers were received which exceeded valuations and ultimately the guarantors, a Hong Kong group, repaid the bank in full with interest and costs.

## Skyways Restaurant and Function Centre, Blue Mountains NSW

04

Taylor Woodings was appointed by a national retail bank as Receiver and Manager of a restaurant and group of cafes and food venues at a well-known tourist attraction in the Blue Mountains. As part of the assignment we:

- undertook a trading review with a focus on identifying weaknesses in the management and overall structure of the business
- implemented a strategy with the aim of improving the efficiency of the business
- liaised with relevant statutory bodies in respect of liquor licensing and other regulatory requirements
- conducted a sale process for the businesses assets, which resulted in a successful sale of the assets

Taylor Woodings sold the businesses, providing a favourable return to the bank.

## OUR TEAM



### Michael Ryan

Managing Partner, Perth – Team Leader  
+61 8 9321 8533  
michael.ryan@twcs.com.au

Michael has been involved in the management of a wide range of hospitality and tourism assets, including acting as caretaker manager during delayed settlements on the Cable Beach Club in Broome and Observation City in Perth, and the Receiver and Manager of the Sebel Hotel in Perth. Michael has also worked on caravan park assets, regional hotels and is the co-appointee of a three-star food and accommodation facility in regional Western Australia.



### Matt Adams

Partner, Sydney  
+61 2 8247 8000  
matt.adams@twcs.com.au

Matt has worked with financiers and corporations on all types of formal and informal appointments in the hospitality and tourism industry. As a Partner in the Sydney office, Matt has advised on several restaurants and motels in New South Wales. Matt's hospitality and tourism experience includes the trading on and sale of these assets, where he has developed strong relationships with operators and delivered the best outcomes for his clients.



### Ross Blakeley

Partner in Charge, Melbourne  
+61 3 9604 0600  
ross.blakeley@twcs.com.au

Ross has conducted a number of assignments in the hospitality and tourism industry. A highlight includes his appointment as Receiver of a 143 room, regional hotel and function centre, and a 40 room boutique hotel. Ross also acted as Liquidator of a corporate group with a portfolio of 16 hotels in Melbourne. Ross has had genuine hands on experience in the ongoing trading and management of hotels, refurbishment works, turnaround and business improvement initiatives, implementation of new specialised management systems, sale campaigns and management of the transition to new owners.



### Stefan Dopking

Partner in Charge, Brisbane  
+61 7 3041 2900  
stefan.dopking@twcs.com.au

Stefan's experience includes receivership appointments covering marine cruise operators, island ferry services, regional motels, inner city accommodation hotels, liquor barns and a specialised theme park. Through his experience, Stefan will act to protect the interests of lenders by assessing options for ongoing viability or, if necessary, taking control and implementing an efficient, cost-effective realisation strategy.



### Quentin Olde

Partner in Charge, Sydney  
+61 2 8247 8000  
quentin.olde@twcs.com.au

Quentin's hospitality and tourism experience spans a range of assets including serviced apartments, hotel and backpacker accommodation, motels and motor inns to restaurants, management rights, function centres, entertainment assets and theme parks. Most notably, Quentin acted as the Voluntary Administrator of Waratah Park in Sydney's northern beaches, Receiver and Manager of multiple serviced apartment complexes and backpacker hostels in New South Wales, Queensland and Tasmania, and Receiver and Manager of the Skyways Restaurant and Function Centre in Sydney's Blue Mountains.

## ABOUT US

Taylor Woodings is an independent, national Chartered Accounting firm providing clients specialist services in Restructuring, Corporate Recovery, Advisory and Transaction Services and Forensic Accounting. With offices in Sydney, Perth, Melbourne and Brisbane, we offer our clients a truly national service.

Taylor Woodings is committed to delivering timely, relevant and innovative strategies to meet our individual clients' needs. With our *one-firm, one-focus* philosophy, we share resources, technical staff and specialist knowledge to ensure clients receive a full-service offering regardless of their geographic location.

Our experience extends across Australia's key industries of agriculture, manufacturing, health, mining and property. We work with all types of organisations within Australia and overseas, from small family businesses to publicly listed ASX and multinational companies, on both complex and straightforward assignments.

Taylor Woodings has established working relationships, essential to delivering successful outcomes for clients, with national and regional retail banks, investment banks, corporate advisory firms, law firms, accounting firms and specialist consultants.

Taylor Woodings is a national partnership that is supported by a dedicated and expert team of advisers. We maintain an efficient internal structure and allocate the most appropriate resource to assignments. This approach provides clients with direct access to senior, specialist advice and cost effective solutions that place our clients' objectives first.

We have an affiliation with TW Gerry Rea Partners, a specialist insolvency and litigation support firm in New Zealand. We also have a joint venture arrangement with Allen Capital, an independent corporate advisory and private equity investment firm. Taylor Woodings is a member of the international insolvency network, hww Insolvency Co-operation Partners, which is represented in 21 countries around the world.

RESTRUCTURING | CORPORATE RECOVERY | ADVISORY AND TRANSACTION SERVICES | FORENSIC ACCOUNTING

SYDNEY PERTH MELBOURNE BRISBANE

[taylorwoodings.com.au](http://taylorwoodings.com.au)

