Time to sell?

You’ve made the decision to move on from your practice, but what do you do next? ASPD member Graeme Burn takes you through the selling process.

Once you’ve decided the time is right to sell your practice, the first thing you need to do is have it valued. And then, if the price is right, it’s likely you’ll consider selling it to either a co-expense sharing principal, partner, associate or corporate body. You should then carefully consider its assets – patients (Goodwill), qualified staff, premises and also equipment.

Changing ownership
A private practice will not have to worry about the notoriously variable attitudes of the individual PCTs to a change of practice ownership – if you do have a GDS/PDS contract then try to ascertain from colleagues or members of the LDC who may be aware of recent changes of practice ownership within your PCT as to its attitude. A great deal of care and consideration needs to be given to the approach made to the PCT and once again the expert specialist and independent advice of one of the solicitor members of the ASPD is likely to be of considerable benefit leading to the Practice sale progressing through planned phases as intended by all parties.

Organising your paperwork
In the sale of any dental practice, usually the most time spent is on the preparation and distribution of copies of supporting documents relating to the practice, not only those that concern patient numbers, but those relating to your qualified staff, associates and hygienists, any payment collection plans, the property itself and equipment.

Ensure all agreements with your associates and hygienists are up to date and likewise with all employment contracts. Be able to produce for all those working with you confirmation of GDC registration as well as Hepatitis B vaccination records – many buyers are also now seeking confirmation of Hepatitis C and TB vaccinations.

Freeholder responsibilities
If you have been the freehold owner for over 20 years, can you easily access the Title Deeds; is there an outstanding mortgage? If the property is leased, how long does the lease have to run? Would your buyer be best placed to renegotiate a new lease for a satisfactorily extended period, but beware this can take some time.

As a freeholder or (leaseholder together with your landlord) you must also be able to provide to any buyer copies of the following: an Energy Performance Certificate, an asbestos report, a Disability Discrimination Act audit as well as health and safety files, and any certificates for the mains electricity, gas, fire and emergency lighting and perhaps even copies of the water hygiene schematics (showing faucets to tank layouts). Comprehensive enquiries will also be made relating to the property and its history.

In respect of the practice equipment you need to provide current certificates of inspection, details of amalgam separation equipment; clean water supplies, up-to-date PAT results, servicing of fire extinguishers, fire and burglar alarms. As well as supplying contract documentation for these there will be those with regard to disposals, likely to be separate, for waste and sharps.

When all preparatory matters are in hand you also need to decide what your own personal timetable will be for the future. Do you wish to remain as an associate for a few months or even a couple of years? Are you prepared to work as a locum at the practice? Are you prepared for a reasonable non-competitive clause excluding you from working near the practice? How does the realisation of the agreed sale price affect your tax and pension status? And when would be a good time to actually complete the sale and what are your intentions for the proceeds of sale?

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About the author

Graeme Burn

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