

When the thing you dread the most happens...

Lis Hughes asks whether you have a lasting power of attorney

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We all have a healthy belief that bad things might not happen to us, but sadly there are no guarantees and we have been witness to tragedies that have resulted in the need for a practice to be sold (usually as a result of an accident or illness) leaving the principal unable to function normally. On these occasions the family members do not only have to deal with emotional fallout from such a tragedy, but also the financial impact.

In view of this, we encourage all our principals to make sure they have a lasting power of attorney (LPA), a legal document that enables you to plan ahead and set up now what you would like to happen should you become incapable of managing your affairs in the future. In an LPA, you appoint one or more 'attorneys' who will be able to make decisions on your behalf. An attorney can be anyone over the age of 18 who is not bankrupt. Your attorneys have a duty to act

in your best interest, but it is important that you trust them.

Why should I do this now?

As we know, accidents and illness can happen at any time. If you suffered from a stroke, or a brain injury following an accident, then everyday tasks such as managing your accounts, paying your bills and maintaining your practice could become very difficult or even impossible. An LPA ensures you can be sure that people you trust can manage your affairs and make decisions on your behalf.

You can only make an LPA while you

have capacity to understand the nature and scope of the LPA, so it is not something you should leave to do one day!

What happens if you have not made an LPA?

Should you lose capacity and do not have a valid LPA then it may become necessary for an application to the Court of Protection for a deputy to be appointed. This may result in someone managing your affairs who you would not have chosen had you had capacity. The court could even appoint a professional deputy (usually a solicitor) if it considers this to

be appropriate, for example if there is a family dispute. Such application to court is very time consuming and costly and it may be several months before your deputy is able to access your finances.

The sad reality is there is the potential to lose everything you have worked for, not to mention that it can be a very stressful time for your relatives who may end up spending their own money trying to pay your bills and sometimes having to resort to banks as they try to secure loans to keep businesses going and not always succeeding.

Every time we are instructed to sell a practice we check if the principal has an LPA in place, and if not, because we believe how important they are, we actually cover the cost to put one in place.

For peace of mind it must be worth going through the process of obtaining an LPA now while everything is good. **D**

FOR MORE INFORMATION call Lis Hughes on 07968 191 816.

PRACTICE ONE - SOUTH EAST ENGLAND

Practice location - this practice occupies a detached, ground floor property within a mix of residential and commercial areas. There is ample parking at the practice and in the surrounding area.

Practice type - this is a three-surgery, predominantly private practice, which has been established for over 50 years. There is a small NHS contract with a rate of £25.73 per UDA. The practice is being sold as a freehold.

Practice gross - the gross income is in the region of £650,000 of which 75% is private, 15% Practice Plan and 10% NHS-GDS contract. The income has been generated by the principal working four days a week, and two associates working a combined seven days a week, and a hygienist working two days a week. They are supported by five nurses working combined part-time and full-time hours. There is a part-time practice manager, and two part-time receptionists.

Price achieved - a price of £1,220,000 was achieved, which was in line with the asking price.

Agents comments - in this case the principal is selling to reduce his management responsibility and he wants to remain at the practice post completion. This worked for the buyer who only wanted to work at the practice part time and he will be able to work his hours around the associates.

PRACTICE THREE - NORTH LONDON

Practice location - this practice occupies a semi-detached property situated in a mix of residential and commercial properties and in close proximity to the town centre. There is ample free parking nearby.

Practice type - this is a two-surgery, fully-private practice established over 60 years. The sale is to facilitate the retirement of the principal. It is being sold as freehold.

Practice gross - the gross income is in the region of £400,000 and is generated by the principal working four days a week, supported by a part-time receptionist and two part time nurse/receptionists.

Price achieved - a price of £1,250,000 was achieved, which was in line with the asking price.

Agents comments - due to the location the freehold for this practice was 40% of the asking price, and the seller was open to retaining the freehold and creating a lease if necessary - however, in this instance the buyer was keen to invest in the bricks as well as the business.

PRACTICE TWO - HOME COUNTIES

Practice location - this practice occupies a former residential property and is close to local shops and businesses. The practice is over three floors with free street car parking.

Practice type - this is a six-surgery, mixed practice established over 50 years ago. The practice is being sold as leasehold with 20 years remaining on the lease.

Practice gross - the gross income is in the region of £950,000, of which 89% is NHS-GDS contract and 11% private fee per item. The income has been generated by the principal working one day per week, seven associates working a combined 22 days a week and a part-time hygienist. The team are supported by a full-time practice manager, eight full and part time nurses and two full time receptionists.

Price achieved - a price of £2,500,000 was achieved, which was in excess of the asking price.

Agents comments - this practice is very well established and efficiently run with an adjusted net profit of 48%. The new owner already owns other practices and can see many financial and geographical benefits for this purchase so was prepared to pay a premium to secure this practice.

PRACTICE FOUR - SOUTH EAST

Practice location - this practice occupies the ground floor of a two-storey, semi-detached property. The town has a significant commuter population and close to the main line railway station into London.

Practice type - this is a one-surgery, fully private practice, established over 30 years and is being sold to facilitate the retirement of the principal. The practice is leasehold and is being sold with 17 years remaining on a 20-year lease.

Practice gross - the gross income is in the region of £200,000 of which 65% is private and 35% Denplan. The income has been generated by the principal working 2.5 days a week and supported by a nurse/receptionist working 3.5 days a week.

Price achieved - a price of £250,000 was achieved, which was slightly above the asking price.

Agents comments - this practice was a first-time buyer's dream - the current principal only works 2.5 days a week and has not actively sought new patients for a number of years. There is a stable income from Denplan and a fantastic opportunity to develop the private fee by increasing the opening hours and marketing - simple.