

Always be prepared

Lis Hughes explains why it's prudent to plan for the worst while the going is good

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We all have a healthy belief that bad things might not happen to us. Sadly, there are no guarantees and within our work environment we have witnessed tragedies, which have resulted in the need for a practice to be sold (usually as a result of an accident or illness) as the principal is no longer able to function normally.

On these occasions, family members not only have to deal with emotional fallout from such a tragedy, but also the financial impact.

Because of our experience, we encourage all 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 you trust them.

Why should I do this now?

Accidents and illness can happen at any time. For example, if you suffered a stroke or a brain injury following an accident, then everyday tasks such as managing your accounts, paying your bills or

maintaining your property 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 really is not something you should leave to do one day.

What happens if you have not made an LPA?

Should you lose capacity and not have a valid LPA, then it may become necessary for an application to the Court of Protection to be made to appoint a deputy. This may result in someone managing your affairs who you would not have chosen.

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 an application to the court is very time consuming and costly, and it may be several months before a deputy is able to access your finances.

The sad reality is you could potentially lose everything you have worked for. On top of this, it could be a very stressful time for your relatives who may end up spending their own money to pay your bills or resorting to banks to secure loans to keep businesses going, but not always succeeding in the long run.

For peace of mind, it is worth obtaining an LPA while everything is good. **D**

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PRACTICE ONE - GREATER LONDON

Practice type – this is a two-surgery (with potential for a third surgery) mixed practice, which has been established for more than 30 years and is being sold to facilitate the retirement of the principal. The practice is being sold as leasehold with a newly-created 20-year lease in place.

Practice gross – the gross fee income from the management information for the past 12 months is in the region of £300,000 and is derived from 44% NHS-GDS contract, 56% fee per item. The UDA rate is just over £28 per UDA. The gross has been generated from the principal working one day a week, three associates working a combined five days a week. The team is supported by a part-time practice manager, a full-time dental nurse and a full-time receptionist.

Price achieved – a price of £550,000 was achieved, in line with the asking price.

Agent's comments – the principal wanted a swift transaction and, while he had a choice of several buyers, actually went for a lower offer as that buyer was in the best position to move forward without bank funding. The practice is ripe for development, and with the injection of fresh enthusiasm and energy, the incoming principal can see the opportunity to develop the private element.

PRACTICE THREE - SURREY

Practice type – this is a two-surgery, predominantly private practice, which has been established for more than 20 years and being sold to facilitate the retirement of the principal. The practice is being sold as leasehold with a new 15-year lease in place.

Practice gross – the gross fee income from the management information for the past 12 months is in the region of £300,000 and is derived from 86% NHS-GDS contract, 14% fee per item. The UDA rate is £24 per UDA. The gross has been generated from the principal working five days a week. The team is supported by a hygienist working two days a week, two part-time dental nurses and two part-time receptionists.

Price achieved – a price of £525,000 was achieved, in excess of the asking price.

Agent's comments – this practice proved to be very popular, and we are certainly seeing an increase in interest in private practices. There is plenty of opportunity to develop this practice, as one surgery is not used full-time. The incoming principal was looking for a predominantly private practice, and the balance of private and NHS was ideal for his needs.

PRACTICE TWO - MIDLANDS

Practice type – this is a two-surgery, predominantly NHS, practice that has been established for more than 50 years and is being sold due to the relocation of the principal. The practice is being sold as leasehold with a 20-year lease, which has 10 years remaining.

Practice gross – the gross fee income from the management information for the past 12 months is in the region of £275,000 and is derived from 86% NHS-GDS contract, with a UDA rate is £26 per UDA, 14% fee per item. The gross has been generated from the principal working three days a week. The team is supported by a part-time practice manager and a part-time dental nurse.

Price achieved – a asking price of £430,000 was achieved, which had been reduced for a quick sale.

Agent's comments – this practice is located in an area where there is exponential growth due to several new housing developments, which include the expected infrastructure. The practice has been underused for some time, so there is opportunity to increase the practice opening hours to five days a week, and bring in an associate to take advantage of the second surgery.

PRACTICE FOUR - GREATER MANCHESTER

Practice type – this is a three-surgery predominantly private practice that has been established for more than 60 years and is being sold to release the principal from the burden of administration. Ideally, the principal would like to stay on for a couple of years to focus on clinical work. The practice is being sold as leasehold, with a new 10-year lease in place.

Practice gross – the gross fee income from the management information for the past 12 months is in the region of £600,000 and is derived from 95% NHS-GDS contract, and 5% fee per item. The UDA rate is £23 per UDA. The gross has been generated from the principal working three days a week, and three part-time associates working a combined four days a week, and two hygienists working a combined four days a week. The team is supported by a part-time practice manager, a part-time receptionist, two full-time nurses and two part-time nurses.

Price achieved – a price of £720,000 was achieved, in excess of the asking price.

Agent's comments – this practice was very popular and went through the sealed bids process, enabling the principal to make his decision on five offers, all in excess of the asking price. Having the principal stay on post-completion will be a great benefit to the first-time buyer.

