

Selling to a Corporate

Is the Corporate route the best for you?

"During 2009 we helped a number of practice owners sell to corporate bodies. Our experience undoubtedly helped these practices sell for higher prices and other improved terms than would have been achieved without our involvement. We look forward to achieving the same in 2010."

Paul Newsom - Practice Sales Director

Many practice owners will have received letters from 'Body Corporates' inviting them to consider selling their practice to them. The letters are issued, in the majority of cases, without any real knowledge about the recipients or their practices and are therefore sent purely on speculation.

We have spoken to many practice owners who have received such letters, some of them believing that the corporate has specifically identified their practice. In reality this can lead to disappointment because often their practice does not suit the corporate's requirements.

We have also found that some dentists are tempted to find out more about possible interest from the corporate, although may be hesitant to contact them directly, for fear of spending their time fruitlessly and perhaps the risk of others finding out.

There are many factors which a corporate will take into account when deciding whether or not a practice will be suitable for them. PFM has been dealing with most of the corporate bodies for many years and we have a good idea of the key factors they will take into account when considering buying your practice.

You can turn this to your advantage by contacting PFM in the first instance. We can give you an indication as to whether the practice is likely to be of interest to one of the corporates. We can make contact with them on your behalf to establish their likely interest and we can even keep details about your practice location, your name etc anonymous until you feel it is appropriate to proceed further. Sometimes we can get a good price indication from them even when they do not know the specific location of the practice.



If you are considering the option of the sale of your practice to a corporate, please feel free to contact Paul Newsom or Martyn Bradshaw on 01904 670820 for an initial discussion.

Paul Newsom & Martyn Bradshaw



Contact us

tel: 01904 670820 email: info@pfmdental.co.uk
website: www.pfmdental.co.uk



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Deadline for pension tax relief – don't miss it

The impact of the recession has severely dented the public finances and the need for the Treasury to increase its "tax take". As a consequence, high earners are to pay the price with higher taxation and reduced tax saving opportunities.

It came as no surprise when the Chancellor announced last year limitations for high earners to obtain tax relief at their highest rates on pension contributions. Therefore it may be in your interest to maximise the tax relief opportunities that remain before they expire next year.

Seek Expert Advice

The attraction of high rate tax relief for a pension investment should be considered carefully. For high income individuals (with earnings over £150,000) tax relief has already been severely limited and will cease from 6th April 2011.

An opportunity exists not only for high earners, but, anyone who pays high rates of tax to benefit from tax relief now. Our advice is as follows:

- Maximise 40% tax relief in the current tax year 2009/10 and 2010/11 before the full impact of the new legislation takes effect.
- Take professional advice to calculate your eligibility taking into account NHS accruals against your maximum allowances.
- Take action before 6th April 2010 so that you invest in the current tax year and offset against your next tax assessment balancing payment.
- Optimise tax relief where you employ your spouse in the practice (employer contributions are amongst the most tax effective financial planning options).

To discuss tax relief opportunities and changes contact David Leaf on 01904 670820 or contact David on david.leaf@pfmdental.co.uk

David Leaf



PFM'S Retirement Seminar



Friday 26th February 2010



Last few places remaining / book your place at the next seminar

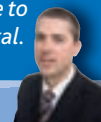
To prepare for retirement, Practice Financial Management has arranged a special seminar in York for dentists who are considering retirement in the next few years. This unique event is to be held at the Hotel Du Vin and is aimed at dentists who may benefit from professional guidance to plan for their retirement. The seminar will cover:

- How to prepare for the sale of your Practice
- Legal Aspects of selling your practice and retirement
- Wealth Management Pre and Post Retirement
- Tax Planning Advice for Retirement

The speakers include a specialist accountant and solicitor with dental knowledge, as well as PFM's Practice Sales and Wealth Management directors. The day long seminar is offered at a price of only £35 per delegate and includes lunch.

This event is now almost fully booked, however, we plan to undertake further seminars later this year. If you would like to register for a place please contact jon.drysdale@pfmdental.co.uk or telephone Jon Drysdale on 01904 670820.

Jon Drysdale



Lunch and learn

Knowledge Is Power



Feel the confidence come back into your veins as you munch on a M&S lunch provided by PFM "this is no ordinary meeting this is a PFM meeting". These popular lunchtime seminars lasting approximately 60 minutes have proven extremely rewarding to partners, associates and VT's. Sessions are tailored to suit the attendees and can include the following:

- Credit crunch savings and investment tips.
- The market for dental practices including goodwill valuations.
- Raising finance to buy a dental practice.
- Incorporation.
- An update on the Superannuation Scheme changes.
- Budget news – tax and pension changes.

Face 2010 with confidence by allowing PFM to fine tune your financial awareness.

To arrange a Lunch & Learn session mark your interest on the attached reply card or contact John Fearn on 01904 670820 or at john.fearn@pfmdental.co.uk

John Fearn



Inheritance Tax

Do you have a problem?



Bitter Sweet ISA

With the sour taste of tax increases lingering in investors' mouths, it is easy to overlook the fact that the Government has increased the annual ISA allowance to £10,200 from the start of the 2010/2011 tax year for all (available now for those aged 50 and above). The allowance can be split 50/50 between cash and stocks and shares funds but you can invest the whole of your ISA allowance into investment funds if preferred.

With interest rates tipped to remain low for the next 18 months a short term fixed rate cash ISA may prove a good gamble with rates currently between 3% and 4% but a longer term fix of 3 to 5 years may prove a higher risk.

For those looking to invest PFM have a number of recommendations to capitalise on the current economic environment ranging from UK recovery funds to higher risk emerging markets in China, India, Brazil and Russia. For an ISA recommendation, whether you are risk averse or speculative, please mark your interest on the attached reply form.

PFM strongly recommend that dentists maximise investment to ISA to benefit from long-term tax efficient income and growth which is prematurely effective for long-term investment strategy.

To make the most of your ISA allowance please contact John Fearn on 01904 670820 or at john.fearn@pfmdental.co.uk

John Fearn



During the 2008/9 tax year the government received £2.8 billion through the payment of Inheritance Tax (IHT). But, with the right estate and IHT planning this money could have been passed on to family, friends or even to charity, rather than to the government!

House/Property	£
Personal Effects	£
Cash/Savings	£
Investments	£
Life assurances	
NHS Tax Free Cash	£
Practice Sale Proceeds	£
Total Value	£
Less Nil Rate Band	£325,000
Total liable to IHT	£
IHT Payable (Total IHT Liability x 40%)	£

By spending a little time now to put your affairs in order, you can save an enormous amount of time, money and stress for those you leave behind. As with many things in life though, the first step in remedying a problem is acknowledging that you have one. **To see if you have an IHT problem simply fill in the blanks in the table above.**

If you have discovered that you have an IHT problem, help is at hand. As specialists in succession planning we can advise you on possible measures to mitigate this liability. To be most effective, planning should start as early as possible to protect the long-term interests of family and loved ones get in touch with us today.

Contact PFM on 01904 670820 to find out more about our Inheritance Tax planning service.

Zero Goodwill

Ask yourself how much your practice would be worth if you were to die and compare this to its value now. Alarming The Warburton contract proposes to remove the NHS contract from a practice if on the death of a contract provider the practice cannot prove that patients can still be serviced within a reasonable timescale. The prospect of zero goodwill could be devastating to the finances of the deceased's spouse especially if a practice loan needs repaying.

Even if you have business partners does your partnership agreement make ensure that you receive a reasonable price for your goodwill in the event of death?

For many reasons, business owners whether single handed or in partnership, should be sure they have adequate partnership insurance to ensure their dependants receive fair value for their business.

Goodwill has increased dramatically over the last 3 years (it could even be as high as 100% of the practice turnover). Add to this equipment and the property, which have also increased over the last decade, and there is every reason for dentists to carry out an urgent review of their insurance cover.

Practice Financial Management have draft partnership agreements for those who have neglected this particular area and or we can check your existing partnership agreements to see that they are appropriate. We can recommend appropriate insurance contracts for each partner and a document of trust to make sure that this expresses how the benefits are distributed in the event of the death of a partner. Single handed practitioners should insure their practice goodwill as a standalone plan and arrange for it to be paid to their dependants as compensation for their death, as the practice Goodwill rapidly depreciates. This is arguably most important for NHS providers.

Insuring the value of your partnership is a cost effective speedy solution to this difficult scenario and alleviates the need for business partners to raise capital



to buy out the deceased. Indeed this may prove difficult under the current economic environment where banks have tightened their lending belts.

Life cover is still relatively cheap and if you have existing cover PFM will gladly check that your contract is competitive to see whether you need a top up or whether a totally new plan will be more cost effective.

For specialist advice on partnership protection please complete the reply card or contact John Fearn on 01904 670820 or john.fearn@pfmdental.co.uk



John Fearn

NHS Superannuation Dilemma



Over the next 12 months most dentists will receive correspondence from the Superannuation Scheme informing them of their option to switch from the old to the new scheme.

PFM are urging dentists to request our free NHS Pension Review which will allow us to explain the pros and cons of staying in the old scheme. Earlier this year it was taking 6 months to receive a reply from the Pensions Agency but this timescale is now down to 4 to 5 weeks so **act now before another backlog builds up.**

Request a NHS pension review on the enclosed reply form or contact one of PFM's independent advisers on 01904 670820.

INDEPENDENT FINANCIAL ADVISERS



David Leaf



John Fearn



Paul Newsom



Martyn Bradshaw



Jon Drysdale

The information in this newsletter is based on our understanding of law and HMRC practice as at January 2010 and is subject to change

Practice Financial Management Ltd are authorised and regulated by the Financial Services Authority. Practice Sales, Valuations and Business Loans are not regulated by the Financial Services Authority. Past Performance is not a guide to future performance and the value of an investment can go down as well as up.

📞 Advice Line: 01904 670820 ✉ email: info@pfmdental.co.uk