

# TAKE CONTROL

## of your financial planning with PFM's WEALTH MANAGEMENT SERVICE

Given the current economic and political environment, there has never been a more important time for dentists to be more pragmatic and disciplined with their financial planning tactics.

Many of PFM's clients already benefit from a structured support service that fine tunes personal and business financial issues to improve wealth and maximise tax efficiency.

PFM's Wealth Management Service follows the course illustrated in the diagram below starting with an initial meeting and leading to regular reviews of your finances including analysis of your tax return, your business accounts and your investments/savings.

Our specialist experience of dealing with dental and financial issues is enhanced by our totally independent status to ensure that clients can confidently plan for their short, medium and long term needs in a challenging environment where taxes are increasing year on year.

### Key services that will benefit your financial planning include the following:

- Annual tax return assessment
- Annual business account reviews
- Will review and inheritance tax tactics
- Notional goodwill valuation and succession planning tactics
- NHS Pension Scheme forecasts
- Personal pension and investment portfolio reviews including risk management and performance monitoring
- Insurance contract reviews
- Assessing the competitiveness of your finance (mortgages/personal loans/business finance)
- Tax updates and tax saving tips
- A structured retirement plan which identifies potential retirement benefits and strategies for achieving your goals



Take control of your financial planning with PFM and book an individual presentation of the Wealth Management Service at your practice or home call **01904 670820** or email [info@pfmdental.co.uk](mailto:info@pfmdental.co.uk) to request a presentation.

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### Contact us

tel: 01904 670820 email: [info@pfmdental.co.uk](mailto:info@pfmdental.co.uk)  
website: [www.pfmdental.co.uk](http://www.pfmdental.co.uk)



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## Preparing for retirement seminars - 2011

### PROGRAMME REGISTRATION

Following the popularity of our February and October 2010 retirement seminars, we invite dentists to register for the 2011 programme. Please register your interest early as delegate places were oversubscribed in 2010. The full-day programme offers expert advice in four key areas, from experienced and highly qualified speakers:

- ✓ How to prepare your practice for sale and implement your exit strategy- *PFM*
- ✓ The legal aspects of selling your practice- *Dental solicitor*
- ✓ Accounting issues when selling your practice- *Dental accountant*
- ✓ Wealth Management and financial planning for retirement- *PFM*

**Delegate comments on our 2010 seminars:**

*"Much better than the BDA retirement day"*

*"very enjoyable day –flew by very informative and thought provoking"*

*"Good rounded package"*

To pre-register for the 2011 programme, please email your full name, address and telephone number to: [jon.drysdale@pfmdental.co.uk](mailto:jon.drysdale@pfmdental.co.uk) or call Jon Drysdale at PFM on 01904 670820. (Two 2011 venues and dates to be confirmed)



## SHOP AROUND AND GET MORE INCOME FROM YOUR PENSION

At retirement you can use your pension fund to purchase an annuity, i.e. an income payable for life. This can be purchased from your pension provider or with another company via the 'open market'. Better rates are usually available on the 'open market'.

At PFM we shop around on your behalf to ensure that you get the best deal. We will provide you with a report detailing which company will pay you the most income; then we will arrange the annuity for you swiftly and conveniently.

If we set up a plan for you, the annuity company will pay our fee.

This means that if the income we quote in our report is higher than the income that your pension provider is offering, you have nothing to lose. You simply receive the extra income, every year for life.

Contact us on 01904 670820, complete the reply card or email [info@pfmdental.co.uk](mailto:info@pfmdental.co.uk) for further details on how to get the most from your pension annuity.

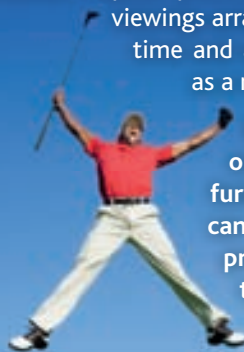


## GOOD NEWS...

...if you plan to sell your practice- PFM has recently seen an increase to the number of registered buyers, across England Scotland and Wales.

Practice owners marketing their practice through our sales agency can expect a detailed sales prospectus to reach buyers by email and post within hours of instruction.

Recent investment in new technology now offers prospective buyers the opportunity to register online. Our database is regularly updated to ensure that your practice meets a target audience of serious buyers in the right location. Popular practices are likely to have several viewings arranged within a short space of time and achieving a higher sale price as a result.



Speak to Paul Newsom or Martyn Bradshaw for further details of how PFM can successfully market your practice. Visit [www.pfmdental.co.uk](http://www.pfmdental.co.uk) to see how PFM will market your practice.

## ARE YOU AN ACTIVE OR PASSIVE INVESTOR?



Paul Rathbone, PFM's head investment analyst, presents a case for active investment funds.

A 'passive' fund aims to simply match the returns from the stockmarket, as measured by an index, such as the FTSE 100. A FTSE 100 Index fund for example, will invest in the 100 largest UK companies according to their weightings within the Index. So,

if BP accounts for 5% of the Index, then the fund will have 5% of its assets in BP.

In the main, these funds are popular because they are cheap. There is no need to pay specialist fund managers and research analysts to assess a company's investment worthiness because if they're in the Index then they're in the fund.

Passive investing generally avoids the risk of significant underperformance; however there is little chance of achieving above market average returns either. The charts show the average return from passive funds invested in UK equities over the past 10 years.

The majority of UK funds are actively managed by skilled professionals. You may pay more, but you are paying a manager to make an informed decision regarding a company's current 'value' and its future potential.

While active managers may not always make the right calls, they at least have the ability to exercise their discretion. When the dot.com bubble burst in March 2000 Vodaphone accounted for 16.1% of the FTSE 100. A passive fund had no choice but to buy Vodaphone while the bubble formed; an active fund could choose to avoid it, protecting investors' money as the bubble burst (Vodaphone's share price halved over the next 12 months).

Advocates of passive investing argue that it is difficult to find managers with the necessary skills to outperform market averages year after year, and indeed the returns of the average active fund tends to trail the average passive fund.

However, we feel that this argument ignores the fact that there are a number of 'tried and tested' active fund managers who continue to deliver. PFM take into account criteria such as medium and long-term performance, volatility and the skill of the fund manager. Our specialist fund analysts apply a number of research techniques as they aim to pick the winning funds of tomorrow.



Contact PFM on 01904 670820 or email [info@pfmdental.co.uk](mailto:info@pfmdental.co.uk) to find out more about PFM's investment services.

## SELLING TO A CORPORATE- LET US DO THE NEGOTIATING FOR YOU

If you are considering selling to a body corporate make sure that you are maximising the proceeds and getting the best terms. PFM have extensive knowledge of the Corporates requirements and have undertaken many practice sales negotiations with them.

Recently PFM re-negotiated sales where clients were in direct conversation with a corporate body, gaining a significantly higher sale price and better terms. However to achieve the

best result we recommend that PFM are involved at outset. Some corporates will pay our agency charges as part of their total offer – therefore maximising the sale of your practice without charge!

If you would like PFM to help negotiations with a corporate body then please contact Martyn Bradshaw or Paul Newsom on 01904 670820 or visit [www.pfmdental.co.uk](http://www.pfmdental.co.uk)

## INDUSTRY COMMENTARY FROM PAST BDA CHAIRMAN JOHN RENSHAW...

### **NHS** NHS Commissioning and its impact on NHS dentistry

The Coalition Government has decided to tear up the Labour rule book on NHS dental services. They say they will get rid of PCTs and SHAs by 2013. There will be no tears in my house over that. Dentistry will revert to a national model governed centrally. The end of local commissioning?

For the last two years, NHS dentists seeking to expand existing practices and dentists wanting to become practice owners have been the victims of a bizarre pantomime. PCTs carried out needs assessments (of dubious quality) and decided they needed dentists and practices in their areas to meet the perceived shortfall in service.

This led to a public procurement exercise known as 'tendering' where bidders were asked to compete for the right to provide services. Providing vast amounts of information about the bidder's proposal and spending hours filling in reams of answers to irrelevant questions might allow you to become the proud owner of a shiny new contract - and as a result, a new business.

Those who did not succeed wasted hours and possibly a sackload of money on fees to various helpers who added value to their bid - solicitors, architects, accountants and specialist advisors like me to help fill in the empty boxes on the gruesome questionnaires. The return on their investment was NIL.

**A satisfactory way to do business? Hardly.**

**An accurate way to decide the best bidder? Unlikely.**

**An open and transparent process suitable for spending public money? Never.**

Young practitioners had a mountain to climb if they wished to become practice owners. Purchase of an existing practice depended on the PCT agreeing to a transfer of a contract. PCTs, whose commissioning staff appear to work to a different moral compass, made decisions that beggared belief and frustrated the potential buyer - the alternative of setting up a squat has simply evaporated - gone without trace!

Change was long overdue in 2006. The new contracts have been disastrous for NHS dentistry and dentists. We are now being offered another new contract. A bonfire of the nGDS, PDS and PDS Plus? Pass me the petrol can.



John Renshaw has been a general dental practitioner for 41 years and still works in private practice in Scarborough. He specialises in dental practice management, primary care dental service commissioning issues, legal compliance within the practice, complaints resolution and wider healthcare policy. Visit [www.oralcareconsulting.com](http://www.oralcareconsulting.com) for further details.

## MARKET UPDATE

### High levels of demand for dental practices

There remains a high level of interest from purchasers especially for NHS practices – large and small. We now offer our sales agency without the requirement to have a formal valuation. This provides the opportunity to market a practice quickly, efficiently and at a lower cost:

- ✓ A practice sale questionnaire is completed (online or paper)
- ✓ PFM conduct a 'desk-based' valuation and prepare the draft sales prospectus
- ✓ Upon confirmation we will commence marketing.

Practices are marketed through our extensive register of purchasers, through our website and through our established corporate body contacts. This exposure helps to maximise the sales proceeds. A dedicated sales director will keep you updated from start to finish and oversee viewings, negotiations, terms and legal aspects of the sale.

**If you are considering selling your practice contact Martyn Bradshaw or Paul Newsom on 01904 670820, complete the reply card or visit [www.pfmdental.co.uk](http://www.pfmdental.co.uk).**

**PFM's Advisers - please see their individual profiles at [www.pfmdental.co.uk](http://www.pfmdental.co.uk)**



The information in this newsletter is based on our understanding of law and HMRC practice as at September 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](mailto:info@pfmdental.co.uk)