

## What to remember when selling your dental practice

Although due diligence is, generally speaking, intended to protect the buyer, it is equally important for the seller when negotiating the sale of a business, as it can streamline completion of the sale. Here, we give an overview of the areas of due diligence specific to the sale of a dental practice, to prepare you for the enquiries and demands you can expect from a prospective buyer.

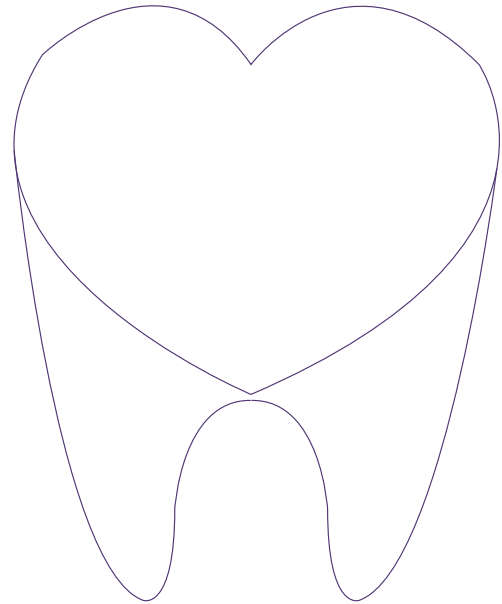
Organisation is key so having the relevant documents readily available along with an index can be very helpful in keeping track of the due diligence.

### The practice

As the seller, you must show that the practice is fully compliant with all statutory regulations of the General Dental Council (GDC) and with data protection legislation. To this end, all related documentation should be prepared and submitted, such as proof of Care Quality Commission (CQC) registration and a copy of your practice's health and safety policy.

A redacted list of current patients should also be submitted to the buyer along with an approximate stock value and details of any complaints or pending legal issues; failure to be upfront with this information could have a detrimental effect on sale negotiations and can lead to law suits after completion.

Similarly, the buyer should be provided with signed accounts for the practice spanning the last three years, as well as copies of any mortgages or charges to be paid by the practice.



### Goodwill

To prove the goodwill of your dental practice, a copy of your General Dental Services (GDS) or Personal Dental Services (PDS) contract with the NHS should be provided to the buyer, together with copies of Business Services Authority (BSA) schedules from the NHS, annual reviews, breach notices, vital signs reports, and any other relevant documentation or correspondence.

While it is advisable to inform the buyer of where you are planning to practise after completion as this may affect the practice's goodwill, you are not obligated to volunteer this information.

### Employees

Staff can be a major selling point for your practice, especially as familiar faces play a significant part in maintaining a healthcare business's goodwill. Along with providing information such as employment terms, details of PAYE and National Insurance contributions, and details of any disciplinary action, you should also provide proof of your staff's qualifications, GDC registration, and continuing personal development (CPD) records.

### Contracts

When selling a dental practice, it is especially important to submit copies of all contracts to show regulatory compliance and to give assurances of smooth continued operations following completion.

So, in addition to your GDS or PDS contract, you should also provide the buyer with copies of any lease or tenancy agreements, commercial or service contracts, and (importantly) waste disposal contracts.

#### Property and equipment

Lastly, the buyer will need full details on the property where the practice operates. Together with documentation showing tenancy/ownership and occupancy information, a plan showing the property boundaries should also be submitted, as well as proof of planning permissions allowing the property to be used as a dental practice. Any easements or covenants should also be disclosed.

Every effort should be made to show the buyer that the practice premises is in good, safe condition; this means providing copies of asbestos survey reports, fire and legionella risk assessments, and energy performance certificates, along with any other relevant supporting documentation. It is equally important to show the good condition of the practice's equipment; repairs and maintenance records should consequently be submitted to this end, and an appraiser called in to give valuations.

#### Expert guidance

At Carter Bond Solicitors, we understand the complexities of selling and buying niche businesses, from dental practices to pharmacies, so we can walk you through each phase of negotiations through to completion.

**For more information, or for expert advice on business or personal legal issues, call us on 020 3475 6751 or via email at [info@carterbond.co.uk](mailto:info@carterbond.co.uk)**

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They were always on hand to provide help and advice and every point of the journey; couldn't have asked for more"

Dr Rishi Nagaria and Dr Shivani Shah

#### HIGHLIGHTS

In the last few years alone we assisted clients buy and sell dental practices with aggregate value exceeding £70m