

# **GPTF – Derby and Derbyshire LMC Premises Seminar – 8 December 2016**

**Colin Haw – Healthcare Partner**

BHP, Chartered Accountants

57-59 Saltergate, Chesterfield S40 1UL

T: 01246 232121

E: [colin.haw@bhp.co.uk](mailto:colin.haw@bhp.co.uk)

Twitter @ColinHaw

# BHP – background information

95 GP practices - from North of Birmingham to Humberside and West Yorkshire – main cluster – North Midlands and South Yorkshire.

400 Locum GPs - nationwide

Portfolios lead by Colin Haw and Jenny Hurst – team of 25.

Offices – Sheffield, Chesterfield, Leeds, Cleckheaton and York.



# Ownership models

Partnership

Personal

Limited Company

# Leased premises

Lease costs – tax allowable

Reimbursement – taxable – should match the cost

Property expenditure – whose cost ? / lease agreement

VAT position (cost / reimbursement)

Sale and leaseback:

Capital allowances on fixtures

Capital gains tax on sale (10% or 20%)

SDLT to consider on lease

# Leased premises (continued)

PFI / Private owner:

Builder – capital allowances

Practice – capital allowances on equipment

SDLT on lease

VAT position to review

# Premises owned by partners / practice

Financing – sale / purchase of share

Disposal – capital gains tax position to review

Buyer – financing / cash flow position

Entrepreneur's relief – poorly written legislation – generally have to sell within three years of retirement date

Income taken as part of profit share

# Premises owned by partners – outside of partnership

Purchase and sale points - as previous position

Rent paid by practice to the owners

Entrepreneur's relief diluted or lost totally – effect of rent receipt

# Premises - mergers

Premises and partners' capital accounts brought forward onto merged practice's balance sheet

Partners retain share of premises as held prior to merger – no financial / tax consequences

Buy and sell on merger – rollover relief available for capital gains tax purposes on the transaction – bank finance position to consider

Capital allowances are transferred to the merged practice and continue

SDLT – position to review



# Key advisors

Accountants

Bankers – Healthcare specialists

Solicitors

Valuers

NB: NHS England / CCG - approval



# Key points

Property values

Finance

Investment return / risk (NB: lease commitment - risk)

Cash flow

Ownership – day to day practice involvement

Tax – capital gains tax / VAT / SDLT

# Key points (continued)

Partnership agreement – future ownership / grants

SUCCESSION PLANNING

# GPTF – Derby and Derbyshire LMC Premises Seminar – 8 December 2016

Colin Haw – Healthcare Partner

BHP, Chartered Accountants  
57-59 Saltergate  
Chesterfield S40 1UL

T: 01246 232121

E: [colin.haw@bhp.co.uk](mailto:colin.haw@bhp.co.uk)

Twitter @ColinHaw

