Mr Colin Thomson

Head of Investments

Medical Assurance Society (MAS)

Ms Kathryn Dalziel

Partner, Taylor Shaw Barristers and Solicitors, Christchurch

Associate Professor Yoram Barak

Psychiatry

Otago School of Medicine, Dunedin

Consultant Psychogeriatrician, SDHB

Dr Graeme Whittaker

Medical Educator

General Practitioner

Dunedin

Dr Pippa Mackay

Medicus

Christchurch

Thursday, August 08, 2019 (Room 3)

14:00 - 16:00 WS #18: Strategies Retiring from Practice

16:30 - 18:30 WS #24: Strategies Retiring from Practice (Repeated)

Kathryn Dalziel

BARRISTER

LEGAL ASPECTS AROUND RETIRING FROM GENERAL PRACTICE

GETTING TO .....

Talk about it now while you still like each other!

WHAT SORT OF PRACTICE?

Company

- Constitution
- **Shareholders Agreement**
- Companies Act

Partnership

- **Partnership Agreement**
- Partnership Act

RETIREMENT PLANNING

- ➢Succession
- ➢Performance
- ➢Managed exit plans

VALUATION

- Advice: lawyer and accountant
- Valuation of business: assets, liabilities, goodwill
  - Open Market v Fair Value
  - Capitalisation of Future Maintainable Earnings
  - Assessing a fair multiplier
    - History of practice and reputation: Brand
    - Size of practice and client base: demographics especially age
    - Age of partners/shareholders
    - Trained workforce
    - Profitability
    - Consistency in earnings and prospects including growth
    - Competitive and economic environment
    - Recent sales
    - Location
    - Website and on-line presence
    - Proprietary technology, systems and processes
    - Strong supplier networks
    - Restraints of trade

OTHER ISSUES

- Changeover and PR
- Privacy and confidentiality re patient files
- Staff employment agreements
- Other business contracts
- Run-off insurance
- Lease and guarantees
- Indemnity from remaining partners/shareholders
- Confidentiality re agreement
- Non-disparagement clause
- Restraints of Trade

RESTRAINTS OF TRADE

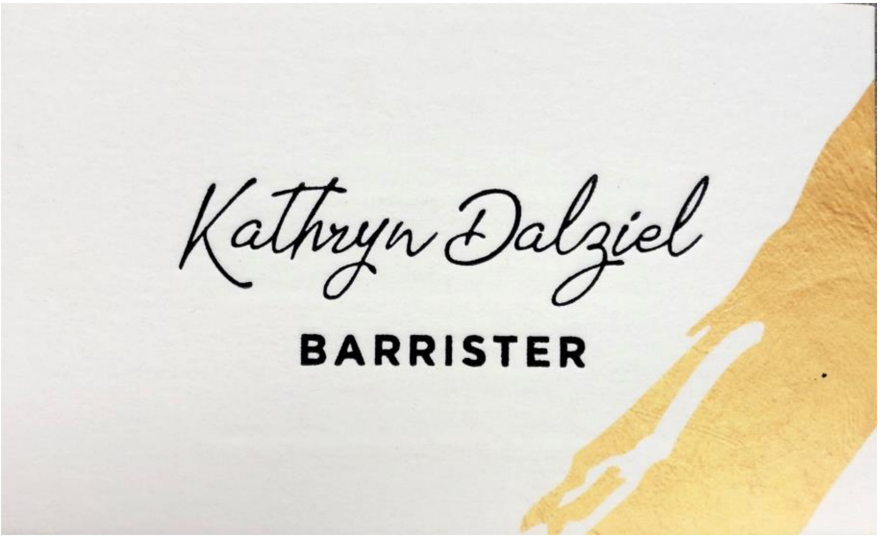
- Reasonable: balancing right to earn an income against a proprietary interest of the business
- Identify for how long restraint is in place and location
- Value in restraint: should be reflected in sale price
- Risk of enforcement and costs
- Confidentiality

SELLING YOUR BUSINESS

- Advice: lawyer & accountant
- Valuation
- Going Concern: tax issues?
- Due diligence:
  - Confidentiality agreement
  - Financial records for last 3 years (organised)
  - Other records: maintenance schedules, health and safety programme documents, staff employment agreements and HR files, organisation chart, policies and procedures, civil disputes, professional discipline
  - List of assets
  - Other agreements: property lease, trade suppliers, lease and maintenance agreements etc
  - Client base
- Personal Guarantees
- Leaving money in?
- Staying on for a period of time?
- Changeover and PR
- Privacy and Confidentiality re patient files
- Restraints of Trade

LOOKING AFTER YOU …

- Advice: lawyer & accountant & financial adviser
  - Trusts
  - Will
  - Enduring powers of attorney


Kathryn Dalziel
BARRISTER