

# SELLING A BUSINESS - THE TAX CONSIDERATIONS

TAX CASE STUDY



LOCAL  
KNOWLEDGE,  
GLOBAL  
EXPERTISE



## Summary

Two award winning dental practices in Colchester partnered with Dental Beauty Partners, one of the UK's leading dental groups, in a partner-led deal guided by PKF Smith Cooper. The addition of North Hill Dental and Layer Road further enhanced Dental Beauty Partners' provision of exceptional dental care across London, the South East and the North West of England. With the support of Tax Partner Adam Rollason, liabilities were reduced and the deal was brought to a timely conclusion that benefitted both buyer and seller.

## Background

Client Dr Sachin Sedani sought tax advice on the sale of his two dental practices, one of which was operated through his company One Step By Step Limited, and the other by him personally as an unincorporated business.

Dr Sedani is a specialist in dental implants, adult orthodontics and advanced dental care, having amassed sixteen years' experience since qualifying from Guy's, King's & St. Thomas's School of Medicine and Dentistry, King's College London.

As a specialist in dental implants, adult orthodontics and advanced dental, Dr Sedani had a wealth of expertise in his field but no experience in corporate transactions. He made the decision to seek professional support from our transactional tax experts to guide him in the process.

Adam Rollason, Partner and Head of Transactional Tax at PKF Smith Cooper, provided specialist advice throughout the deal, assisting with tax due diligence, formal tax advice and legal drafting, in addition to adhoc support at every stage.

# The advice we provided to the client was divided into **three distinct areas**



We began by supporting the client through the tax due diligence process. Working with the client's accountant, we provided timely responses to queries raised by the purchasers, preventing unnecessary delays to the deal. As a result, we progressed onto the legal drafting phase earlier than anticipated and without any material issues being raised by the buyer's advisers.

The next step was to prepare the tax report, which sets out the liabilities arising on the transaction for both the shareholder and the company itself. At this stage, value could be added by proposing amendments to the consideration structure. Numerous adjustments were proposed as a result of our review, resulting in unexpected tax savings for the client.



In the final stage of our work, we focused on the legal drafting, ensuring that the legal documents were reflective of the advice we provided within our report. This stage had the most opportunity for added value, as we could make recommendations that the client or their accountant might not have considered. We recommended a number of amendments on this transaction, which could have resulted in material tax changes arising for the client if left unamended.





“Bringing in a new partner to support us in the next stage of our journey was always going to be difficult, but I had no idea how challenging and complex the legal process itself was going to be. From the outset, Adam and his team were outstanding, clearly knowledgeable, and highly experienced in the world of corporate deals. Nothing was ever too much trouble, and I would have no hesitation in recommending them to other business owners who are considering a sale, partnership or joint venture arrangement in the future.”

## Dr Sedani

Principal Dentist

“I am delighted to have advised Sachin on this transaction. It was a pleasure to work with him and his other advisers, and I have no doubt whatsoever that he will have a long and prosperous partnership with Dental Beauty Partners. I wish him all the best in the next stage of his career.”

## Adam Rollason

Partner and Head of Transactions Tax

## The result

With no prior experience of corporate transactions, the client needed specialist support throughout the process and the transactional tax team at PKF Smith Cooper delivered. Adam took the time to understand the client's objectives and kept him informed throughout the process, whilst allaying any concerns he might have had and keeping him focused and relaxed.

Having been involved in corporate deals for many years, Adam was able to support the client with the sale of his two practices and add a significant amount of value to

the transaction. His expert insights led to further discussions between client and buyer that resulted in a number of late increases to sale price.

As part of the agreement, Dr Sachin Sedani joined Dental Beauty Partners as a Principal Dentist with a view to supporting the further growth of the existing practices, whilst also helping with the planned expansion across Essex.

## Speak to our team

If you are thinking of buying or selling a business and want professional advice, speak to one of our experts.

Please call 03333 446306 or visit our website [www.pkfsmithcooper.com](http://www.pkfsmithcooper.com)



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