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Case Study - Gateway OHS Limited



Background

Gateway OHS Limited was established by Michael Allen as a dental practice in 2010 to serve the community of Abergavenny and surrounding areas. By 2016 there were 12 employed staff members working in the practice. By 2016 Michael Allen was involved more strategically in the work of NHS Wales and in the Community Dental Services, so thought it time to pass the business practice to the staff.

The Process

Michael Allen contacted the Wales Cooperative Development Centre who assisted Mr Allen and the practice staff gain an understanding of employee ownership and assess how the transition to employee ownership could be financed.

Wrigleys Solicitors were instructed to assist with the legal work which required an understanding of the National Health Service Regulations relocating to dental services in Wales.

Staff briefings were held by Wales Cooperative Development Centre to explain the Employee Ownership Trust. A staff meeting was held to appoint two staff trustees to the EOT and an external trustee was appointed. Five Directors were chosen for the Board of the company.

Financing

A valuation was obtained and it was agreed that 10% of the purchase price would be paid on completion and the balance would be paid in monthly installments over 10 years.

Owing to the employment status of dental professionals, not all dental staff in Gateway OHS Limited will qualify for the employee ownership tax free bonus, but they will receive an equivalent taxable amount.

After the transition

While Gateway OHS's EOT is still in its early years, the company has maintained its position as the leading NHS dental practice in Abergavenny and has considered options to purchase other dental practices in the area.

George Warmisham, one of the senior dentists in the practice said:

"The transition to employee ownership has enabled a close knit team to retain our focus on the provision of quality dental service under the NHS for the local community, and I look forward to other dental practices following in our footsteps."

Contact Us

For more information about Employee Ownership Trusts, please contact a member of our team:



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