

MONTROSE

CAPITAL

GP Practice Evaluation Checklist

A structured framework for assessing GP practice acquisition opportunities in the UK and Ireland

HOW TO USE THIS CHECKLIST

Use this checklist when you have identified a GP practice you are interested in acquiring. Work through each section systematically — ideally before making an offer. The questions are designed to surface the information that matters most for primary care economics and to flag potential risks early.

Green flags suggest strength. **Red flags** warrant further investigation or may indicate the practice isn't the right fit. Use this alongside our Salaried GP-Led and Partner-Operated Excel models for a full financial view.

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This checklist is for indicative purposes only and does not constitute financial advice.

1. LIST, CONTRACT & REGULATORY

QUESTION		WHY IT MATTERS
1	What is the current registered list size and the active list size?	Active ratio signals list hygiene and future capitation stability.
2	What contract(s) does the practice hold — GMS, PMS, APMS, HSE GMS?	Contract type drives revenue profile and transfer mechanics.
3	How long has the contract been in place and is it up for renewal?	Short tenure or imminent renewal increases regulatory risk.
4	What is the active vs registered list ratio over the last 3 years?	Stable ratio = reliable capitation. Declining = list drift or closure.
5	Is list cleansing conducted routinely and documented?	Unaddressed ghost patients create future clawback risk.
6	What is the CQC (UK) or HIQA (Ireland) rating and rating history?	Anything below Good materially affects financeability and value.

2. QOF, ENHANCED SERVICES & REVENUE QUALITY

QUESTION		WHY IT MATTERS
7	What is the 3-year QOF achievement profile (points & %)?	Consistency matters more than a single peak year.
8	What proportion of Enhanced Services is contractually recurring?	PCN DES is generally recurring; some LES / DES is annual.
9	What is the Additional Roles Reimbursement Scheme (ARRS) utilisation?	Under-utilised ARRS is unexplored margin; fully drawn means little upside.
10	Is there a meaningful private income line (medicals, travel, occupational)?	Private income typically carries stronger multiples than NHS/HSE capitation.
11	Have there been any one-off adjustments or prior-year corrections?	Strip out of adjusted EBITDA — surprisingly common in GP accounts.
12	How is Seniority / Retention income treated in reported profit?	Seniority may not transfer with contract; adjust EBITDA accordingly.

3. PARTNERSHIP, WORKFORCE & CLINICAL CAPACITY

QUESTIONS	WHY IT MATTERS
13	What is the partnership structure and profit-sharing agreement? Partnership deed governs exit mechanics — read it carefully.
14	Which partners are retiring, staying, or new to the practice? Lead partner departure can destabilise the list in year one.
15	How many salaried GP sessions are covered in-house vs by locums? Locum dependency >30% is a margin and sustainability risk.
16	What is the Practice Manager's tenure and plan post-transaction? PM loss at completion is one of the most disruptive events.
17	Are nurses, HCAs and reception fully resourced for current list? Under-resourced practices look cheap on margin but carry hidden fragility.
18	Are any significant event / SI reviews open or recent? Open SIs can become regulatory issues quickly.

4. PREMISES & OPERATIONS

QUESTIONS	WHY IT MATTERS
19	Freehold or leasehold, and on what terms? Freehold with Notional Rent is the most favourable structure.
20	If leasehold, what are lease length, rent review and dilapidations terms? Short lease or pending CMR review materially affect the deal.
21	Is premises reimbursement current and accurately reflected in accounts? Over- or under-recovery is a common adjustment item.
22	Is the building fit for purpose with growth capacity? Constrained premises cap organic revenue growth post-completion.
23	What is the current state of IT (EMIS, Vision, SystemOne, Socrates) and EPR? Legacy IT drags productivity and slows integration into a group.

5. FUNDING & DEAL STRUCTURE

QUESTIONS	WHY IT MATTERS
24	What is the proposed total consideration and how is it split? Goodwill vs freehold vs deferred — each has different tax and funding treatment.

25	What equity contribution is realistic (typically 10-20%)?	Drives LTV and DSCR — see our Salaried GP-Led and Partner-Operated models.
26	Has an indicative DSCR been tested at 1.5x against adjusted EBITDA?	If 1.5x doesn't clear, either the price is high or structure needs work.
27	What vendor-side protections are on the table — earn-out, tie-in, vendor loan?	Used well these de-risk the transaction for both sides.
28	What is the outgoing partner's clinical tie-in for list retention?	Minimum 6–12 months clinical overlap is a common ask.
29	What contingency exists for a CQC / HIQA event or QOF underachievement?	Covenant headroom should survive a realistic downside case.

GREEN FLAGS & RED FLAGS

Use these as quick-scan indicators once you've worked through the questions above.

GREEN FLAGS

- ✓ Stable or growing active list over the last 3 years
- ✓ CQC / HIQA rating of Good or Outstanding, with no open regulatory issues
- ✓ Consistent QOF achievement (>95% of points) over a 3-year window
- ✓ Meaningful private income contribution (>10% of revenue)
- ✓ Long-dated leasehold or owned freehold with Notional Rent / CMR current
- ✓ Salaried cover adequate and locum dependency <25% of clinical sessions
- ✓ Practice Manager in place and willing to stay post-transaction
- ✓ Clean partnership deed with workable retirement mechanics

RED FLAGS

- ✗ Declining active list or unexplained gap between registered and active patients
- ✗ CQC / HIQA below Good, pending inspection or unresolved action plan
- ✗ QOF achievement dropping in recent year — check if sustainable under new ownership
- ✗ Heavy reliance on Enhanced Services that are annually discretionary
- ✗ Single partner dependency with no succession or handover plan
- ✗ Locum dependency >35% of clinical sessions
- ✗ Short leasehold (<5 years) or imminent Current Market Rent review
- ✗ Partnership deed with restrictive consent rights or unclear exit mechanics
- ✗ Related-party rent or payments not clearly disclosed or at arms-length
- ✗ Asking multiple materially above comparable transactions without clear justification

For a confidential conversation about a specific practice opportunity,
contact Montrose Capital at info@montrosecapital.ie