



For immediate release

Practice sales, pensions and pragmatism

It's good for continuity and business prosperity when the vendor and purchaser of a dental practice stay on good terms. It's also pragmatic, says NASDAL chairman, Nick Ledingham, when the practice has an NHS contract, since it is the practice purchaser who makes sure that pension entitlements are correctly allocated.

He explained that when a practice is sold, and the NHS contract remains in place, then the purchaser will need to complete the Annual Reconciliation Report (ARR). The Net Pensionable Earnings (NPE) of the performers should be included, as well as the NPE of the original contract holder for the period up until the date of sale.

Specialist lawyer Russell Abrahams, of Abrahams Dresden, said: "If the ARR is incorrectly completed, the Vendor can suffer a loss. The purchaser and vendor should agree on what needs to be entered into the ARR immediately after the purchase of a Practice with an NHS Contract. I suggest that this be addressed by the following provisions being added to the Sale Agreement:-

- Purchaser to undertake to draft and submit to Vendor the draft ARR figures within 14 days of completion.
- Vendor to approve or provide comments on the draft ARR figures within 14 days of receipt.

Nick added that dentists using non-specialist lawyers for NHS practice acquisitions should be very careful to get the right documentation in place. Ideally, when buying or selling a practice, dentists should use a specialist

solicitor and specialist accountant who both understand the complexities of a dental sale and can work together effectively.

Note to editors:

For more information, contact Caroline Holland on 020 8679 9595 or 07974 731396