



December 2011  
For immediate release

**Practices with NHS contracts are highly prized in the sales market**

The average dental practice sale value has increased according to the NASDAL goodwill survey for the quarter ending 31 October 2011, standing at 107% compared to 90% in the last quarter. This three figure percentage figure reflects the significant number of practices with highly prized NHS contracts changing hands.

According to Alan Suggett, the NASDAL member who compiles the quarterly survey, practices with NHS contracts continue to be highly sought after and these deals are pushing up the overall statistics.

Average percentage of goodwill to fee income is 121% for NHS dental practice sales. Only a small number of private practices were sold in the quarter July-October and mostly for less than 100% of turnover, thus bringing down the overall figure.

Valuations continue to be a part of the survey but the trend continues for valuation figures to be outstripped by deals the average valuation being 96% of turn-over. Alan, a partner in UNW LLP, specialist dental accountants, commented: "On the one hand you have corporates buying practices with large contracts for up to 200% of turnover while at the other end of the scale, distressed sales are being agreed at 20%.

Russell Abrahams, a solicitor and founding partner of specialist law firm Abrahams Dresden, based in London, said that finance was now the most import ingredient of a successful sale and bankers were much happier to lend on a purchase of an NHS or mixed practice than a private practice. Orthodontic practices are also very popular, he said and are changing hands more readily than in the past.

Although the high value of NHS practices may not be enduring, he continued, the trend was likely to continue until the introduction of a new contract in 2014.

This was time enough for a dentist to consolidate the practice purchase and build up a reputation in their area.

### **Notes to editors**

The National Association of Specialist Dental Accountants and Lawyers (NASDAL) was formed in 1998 to promote high standards in specialist dental advice. It now consists of around 40 specialist dental accountancy firms throughout the UK as well as a lawyers' group with 13 law firms specialising in dental issues. Members abide by the standards of the NASDAL charter and meet twice a year to share information. To speak to a member in your area, go to the website at [www.nasdal.org.uk](http://www.nasdal.org.uk)

For more information or to obtain photos or the logo of NASDAL, please contact Caroline Holland on 020 8679 9595/07974 731396 or email [caroline@carolineholland.eu](mailto:caroline@carolineholland.eu)