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### **NASDAL Annual Benchmarking Statistics – Mixed Up?**

NASDAL (National Association of Specialist Dental Accountants and Lawyers) has released its latest Benchmarking Report and it seems to show a gap in profits opening up between mixed practices and those that focus solely on NHS or private work. The report which uses figures from the financial year ending 5<sup>th</sup> April 2017 sees the average profit per mixed practice at £130,076 (per principal) – a level nearly £10,000 behind that of a typical NHS or private practice.

Ian Simpson, Chartered Accountant and a partner in Humphrey and Co, which carries out the statistical exercise commented, “Although the gap between mixed and NHS or private practices is not huge, it is significant. It may be controversial to say but might this be explained by NHS practices maximising profits by concentrating on NHS dentistry with a low-cost base and private practices maximising profits by offering higher value treatments, whereas, mixed practices could be left offering private dentistry at nearer to NHS prices and therefore seeing lower profits? Perhaps mixed practices fall into the all too common business trap of losing focus and not being entirely clear on who they are and what they deliver to their patients.”

Overall the outlook of the report is positive as practices overall have seen an increase in net profit of 3.2% to £136,270 (per principal). Private practices saw an increase in net profit of 4.3% to £139,454 (per principal) and NHS practices were not far behind with an increase in net profit of 4.2% to £139,698 (per principal). The report has also seen a ‘big is better’ trend continuing with larger practices tending to do better. Those practices with associates saw a net profit of £143,446 (per principal) (up from £138,511 in 2016) and practices without associates saw a net profit of £107,896 (per principal) (up from £105,914 in 2016).

The annual Benchmarking Survey statistics are gathered from the accountant members of NASDAL across the UK who together act for more than a quarter of self-employed dentists. The statistics provide average ‘state-of-the-nation’ figures so NASDAL accountants can benchmark their clients’

earnings and expenditure and help them run their practices more profitably. The basis of the survey figures is 2017 tax returns and accounts with year ends up to 5 April 2017.

Alan Suggett, Chartered Accountant at UNW and Media Officer of NASDAL said, “The annual NASDAL profit and loss benchmarking report is a unique and valuable tool which enables NASDAL accountants to compare their practice owning clients with industry norms. This means that they can benchmark their practice against others both in their area and all over the UK.”

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Note to editors:

NASDAL, the National Association of Specialist Dental Accountants and Lawyers, was set up in 1998. It is an association of accountants and lawyers who specialise in acting for and looking after the accounting, tax and legal affairs of dentists. It is the pre-eminent centre of excellence for accounting, tax and legal matters concerning dentists. Its members are required to pass strict admission criteria, and it regulates the performance of its members to ensure high standards of technical knowledge and service.

The NASDAL benchmarking statistics are published annually in March and reflect the finances of dental practices and dentists for the most recent tax year. The NASDAL figures provide a detailed picture of dental practice finances, sourced directly from dentists working privately and in the NHS. The figures published by the Public Health England’s Information Centre later in the year reflect the income of NHS dentists only. NASDAL’s designation of practices as either private or NHS reflects that 80% of business income comes from that source. The sample size is 650 principals and limited companies, and 600 associates.

Nick Ledingham, Chairman of NASDAL, is available for interview. To organise to speak to him or any other members of NASDAL for more information please contact Chris Baker.

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