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NASDAL Annual Benchmarking Statistics – A year like no other

Today has seen NASDAL (National Association of Specialist Dental Accountants and Lawyers) publish their annual Benchmarking Report for the financial period, 2020-21. In what was an unprecedented year in UK dentistry, these have shown:

- Overall, dental practices see an increase in average net profit per principal from £129,178 to £151,649
- NHS practices see an increase in average net profit per principal: £116,284 to £145,498
- Private practices see an increase in average net profit per principal: £133,192 to £143,418
- Associate average remuneration fallen from £70,514 to £63,304

Ian Simpson, Chartered Accountant and a partner in Humphrey and Co, which conducts the statistical exercise commented, “This year’s benchmarking figures are the first to reflect the seismic change that was the Covid pandemic. The increase in profits seems to demonstrate that despite being closed from late March to early June, practices bounced-back to recover lost revenue in the latter part of the year when pent up demand was unleashed.

The last two years have been tough and although our statistical sample shows a significant increase in profits, it is worth noting that this was not true for all and we are aware of practices and dentists who faced real hardship during and post lockdown. As we look forward to the 2022 figures, we might expect to see NHS practice profits fall back somewhat and a modest growth in private practice profitability.”

Nick Ledingham, of Morris & Co, Specialist Dental Accountants and Chairman of NASDAL observed, “It is important I think to view the 2021 figures in a wider context. Whilst it may appear to be a big jump in profits of NHS practices, it is worth noting that NHS profits are still lower than they were more than a decade ago in 2010. Associates’ pay has seen a big fall over the last decade in both real and relative terms - associates have been used to their profits flat-lining and the 2021 report showed

no let-up in this. In real terms, associates are considerably worse off than they were in the Noughties.”

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 2021 tax returns and accounts with year ends up to 5 April 2021.

Alan Suggett, specialist dental accountant at UNW and NASDAL Media Officer added, “The NASDAL annual profit and loss benchmarking report is a unique and valuable tool which enables NASDAL accountant members to compare their practice owning clients with industry norms. It means that we help our clients really understand what is happening in their dental business.”

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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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