NASDAL Goodwill Survey – a return to normality?

This week saw the latest results published from the NASDAL (National Association of Specialist Dental Accountants and Lawyers) Goodwill Survey statistics. This survey covers the quarter ending 31st July 2021 and includes data on valuations as well as deals completed (i.e., practices bought or sold by NASDAL members’ clients in the period).
As the graph illustrates, the quarter saw big jumps both in those deals completed and valuations. In terms of deals done, goodwill as a percentage of fee income in the quarter across all types of practice averaged 144% of gross fees – that was a significant leap from 128% in the quarter to 31st April 2021. NHS practice goodwill bounced back with practice goodwill at 161% of gross fees – up from 146% in the previous period.

Private practices goodwill values saw a big increase – up to 133% of gross fees from 110% of gross fees in the previous quarter. Mixed practices reduced slightly with values of 145% of gross fees from 156% of gross fees last time.

**Normal service resumed?**

Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, commented, “In my commentary on the last results, I did say that I was surprised to see big drops in goodwill values and that it had not been my subjective experience. As with all statistics, there can be anomalies.

“It seems that the figures from this latest quarter have borne that out. Why did last quarter’s figures occur? I would be speculating but it could be that there was a backlog of discounted deals that were delayed due to Covid and they all went through in the one quarter.

“Certainly as we move forward, NASDAL members are reporting that the market is robust and that sale prices are not being reduced and are reaching their full potential.”

The goodwill figures are collated from accountant and lawyer members of NASDAL in order to give a useful guide to the practice sales market. These figures relate to the quarter ending 31st July 2021.

NASDAL reminds all that as with any averages, these statistics should be treated as a guideline only.

**ENDS**

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.

Alan Suggett, who compiles the NASDAL Survey, and Nick Ledingham, the Chairman of NASDAL, are both available for interview. To organise to speak to them or any other members of NASDAL for more information please contact Chris Baker.

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