



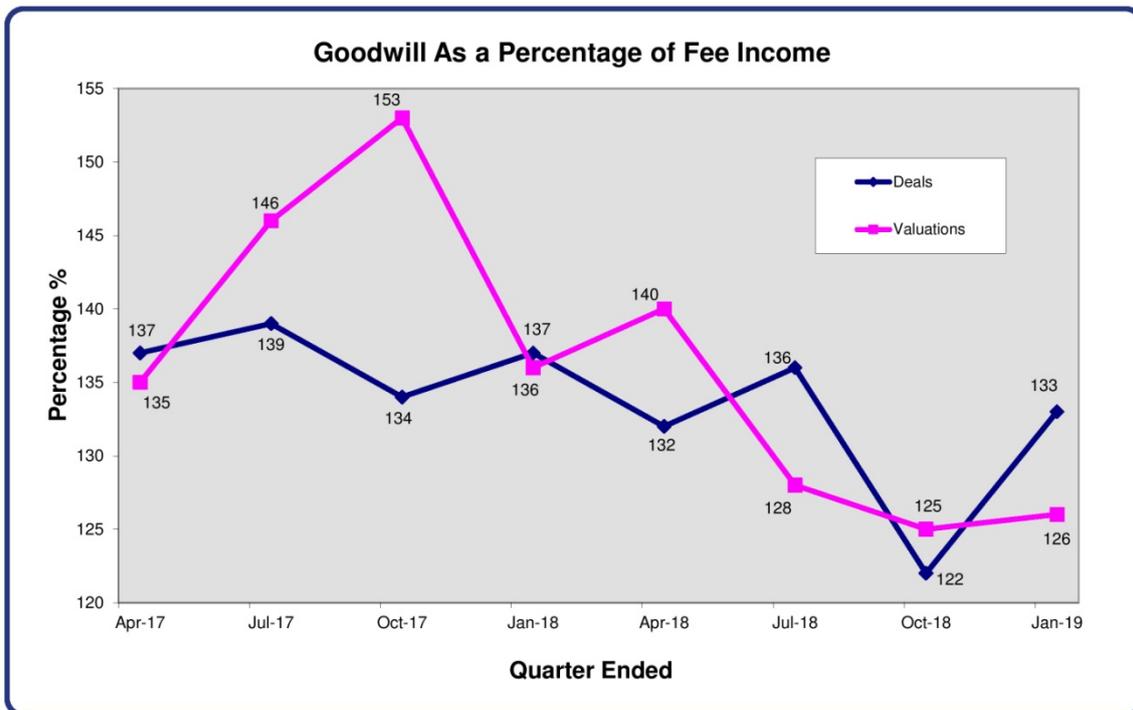
For immediate release

**NASDAL Goodwill Survey – NHS Practice Values continue to drop**

The statistics from the latest NASDAL (National Association of Specialist Dental Accountants and Lawyers) Goodwill Survey have just been released and make interesting reading. These statistics are produced on a quarterly basis and provide a useful snapshot of the dental practice sales market.

The survey for the quarter ending 31<sup>st</sup> January 2019 sees a number of noteworthy points.

**NASDAL QUARTERLY GOODWILL SURVEYS**



The quarter saw a large reduction in the average goodwill values of NHS practices – a continuing trend. NHS sales saw an average goodwill value of 118% of gross fees – down from 177% in the quarter ending 31<sup>st</sup> October 2018 and from 224% in the quarter ending 31<sup>st</sup> July 2018. Fully private practice sales bounced back to an average goodwill value of 127% of gross fees and mixed practices stayed steady at an average goodwill value of 108% of gross fees.

Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, commented, “The fact that NHS practice values have now seen three consecutive quarters of reduction in value, does seem to suggest that it is now potentially a trend rather than a blip. Perhaps in these particularly politically uncertain times, what once looked like a safe, long-term bet is less attractive? Government backed promises are not what they were. Valuations have stayed quite steady for the last year and it seems the market is less turbulent than it was a couple of years ago.”

### **Disparity**

There is no such thing as a ‘typical’ practice. This, of course, has always been the case but recent surveys are showing even more disparity between practices. For instance, in this last quarter, an NHS practice in the North with gross fees of £2.2 million sold for £5m million (232% of gross fees). A practice in the South East with gross fees of £1 million sold for £530,000 (53% of gross fees). Why then the huge difference? Private equity has certainly caused significant rises and there remains the fact that some practices are simply a better long-term investment than others.

### **‘Corporate Dumping’**

Alan added, ““There has been a good deal of ‘corporate dumping’ in recent times, typically when the corporate has been unable to fulfil NHS contracts, usually due to associate recruitment difficulties. This impact of some practices being sold at a discount has meant that the average goodwill value has been pulled down.”

The goodwill figures are collated from accountant and lawyer members of NASDAL on a quarterly basis in order to give a useful guide to the practice sales market. These figures relate to the quarter ending 31<sup>st</sup> January 2019.

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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