

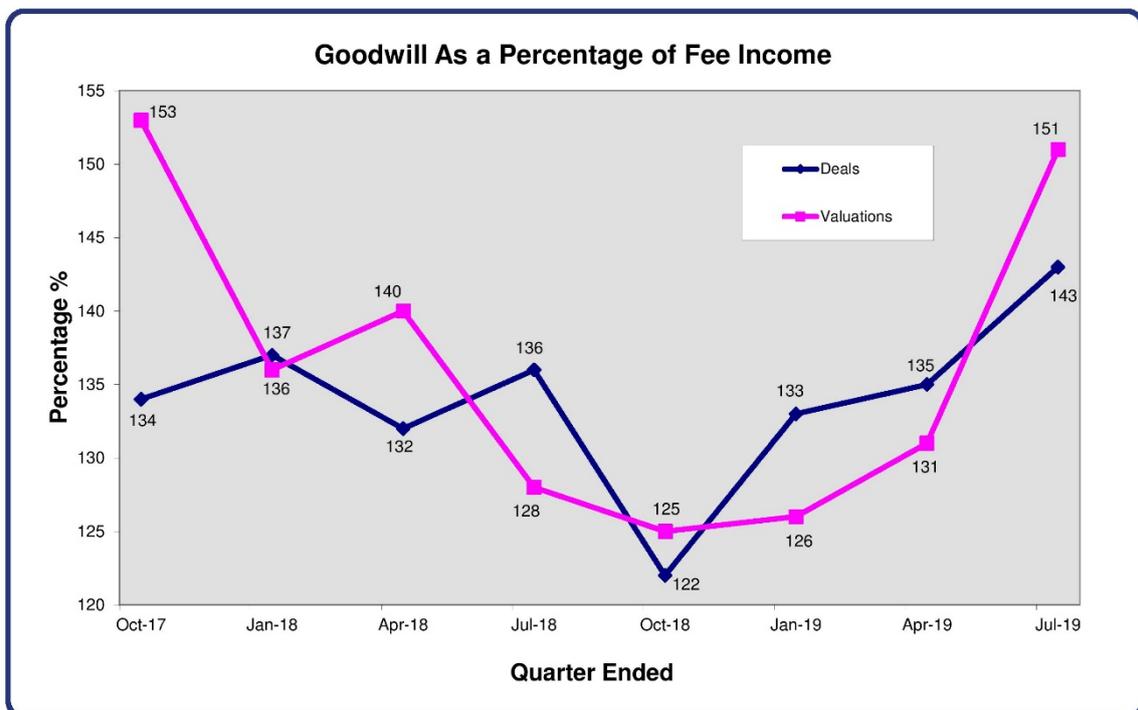


For immediate release

NASDAL Goodwill Results – big rises in NHS practice values

This week has seen the latest results from the renowned NASDAL (National Association of Specialist Dental Accountants and Lawyers) Goodwill Survey statistics. These statistics are produced on a quarterly basis and provide a useful snapshot of the dental practice sales market.

NASDAL QUARTERLY GOODWILL SURVEYS



The survey for the quarter ending 31st July 2019 has witnessed both a sizeable increase in the average goodwill values of those practices sold and an even more substantial rise in practice

valuations. Almost all of the growth is in the average goodwill values of NHS practices as they continue their recovery after a difficult year or so. The period to the 31st July 2019 saw an average goodwill value of 194% of gross fees – a big increase up from 149% in the quarter ending 30th April and up from 118% in the quarter ending 31st January 2019.

This quarter saw big rises in valuations as well – up to 151% of turnover of average goodwill values from 131% in the previous quarter. This seems to be being driven again by NHS practices – with an average goodwill value of 162% - up from 131% in the previous quarter. However, valuations on mixed practices are also up to 180% from 155% in the quarter ending 30th April 2019. It must be pointed out that valuations can traditionally be more volatile than actual deals done and these have proved to be a more reliable statistic in the past.

Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, said, “It never fails to amaze me that such a high value is placed upon NHS practices – particularly in such challenging and uncertain times. Brexit is possibly only a fortnight away. When it finally arrives, the new much heralded reformed contract could obviously have massive implications for goodwill values. Be that as it may, investors still seem to be happy to pay a premium for what they consider a ‘safe’ investment.

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 31st July 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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