

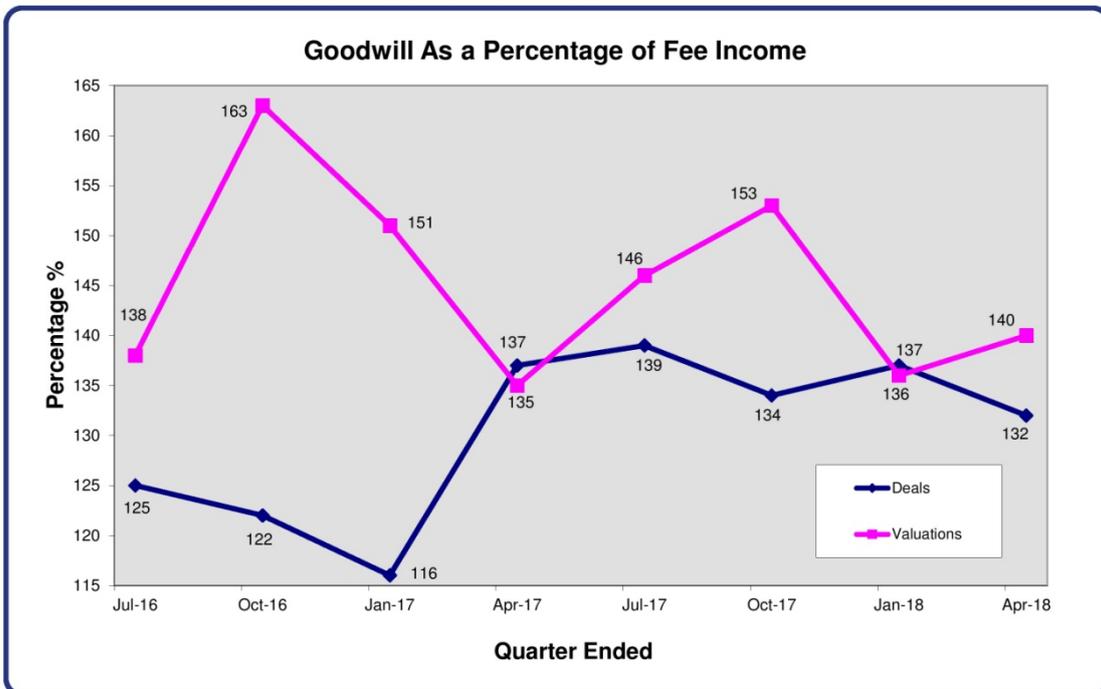


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NASDAL Practice Goodwill Survey – corporate competition?

This week has seen the latest statistics from the NASDAL (The National Association of Specialist Dental Accountants and Lawyers) Practice Goodwill Survey released. The survey for the quarter ending 30th April 2018 shows a mixed picture across the country and a number of practices seeming to benefit from large corporate buyer competition.

NASDAL QUARTERLY GOODWILL SURVEYS



The headline figure for deals has dropped slightly - an average goodwill value of 132% of gross fees – 5% down from the previous quarter. Average valuations are reasonably steady at 140% of gross fees which is an increase of 4% on the quarter ending 31st January 2018. NHS practices in particular still appear to be in huge demand with a significant number of sales in the quarter at considerably over 200% of gross fees.

Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, said, “A particular area of note in this survey is that certain practices that are larger and located in the ‘right place’ are gaining from competition between the larger corporate groups such as BUPA, Portman and Genesis as they compete for the sale. Small comfort if you are looking to sell in the ‘wrong place’!

As we have noted previously, geographical factors seem to be becoming increasingly important, and this links with a similar pattern in associate availability. Bank appetite to lend is still very strong although RBS are now effectively out of the market due to lack of appetite leading to very high interest rate pricing.”

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 30th April 2018.

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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