

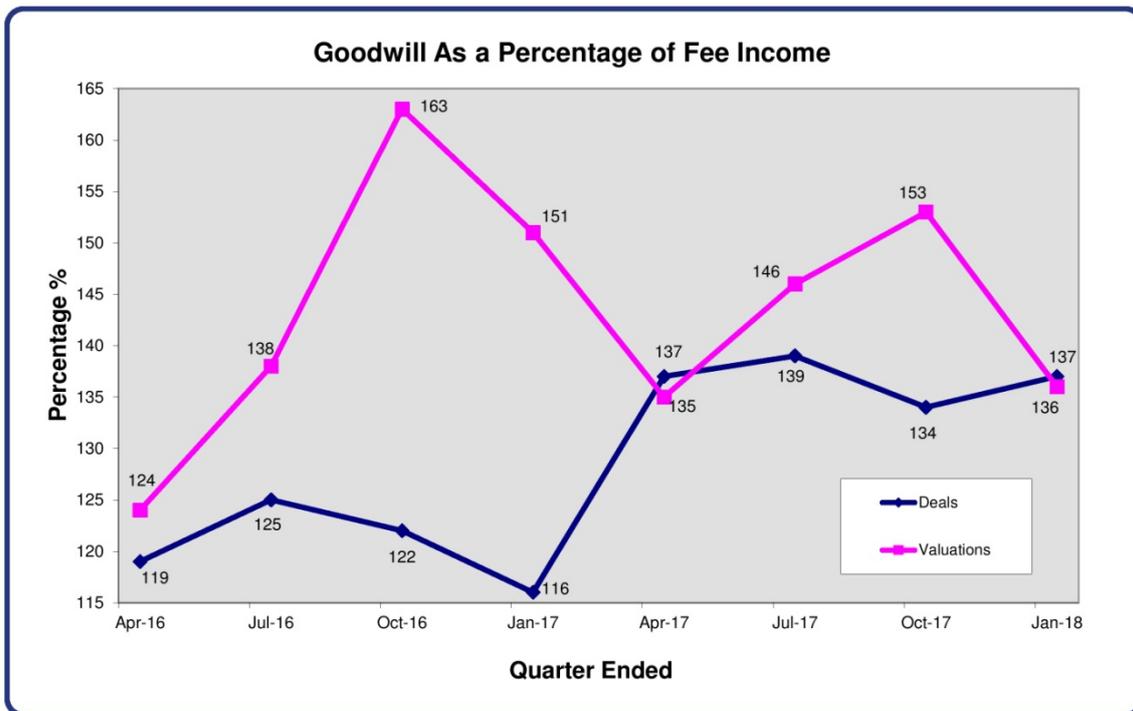


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**NASDAL Goodwill Survey – valuations drop back**

The latest statistics from the NASDAL (The National Association of Specialist Dental Accountants and Lawyers) Practice Goodwill survey have just been released. The survey shows that practice valuations have fallen back sharply in the quarter ending 31<sup>st</sup> January 2018. Deals done have remained steady with an average goodwill value of 137% of gross fees – up just one percentage point from the previous quarter. However, average valuations fell back sharply to 136% of gross fees

**NASDAL QUARTERLY GOODWILL SURVEYS**



from 153%. NHS practices are still attracting a significant premium with an average goodwill value of 152% of gross fees, whereas private practices see a figure of 123% of gross fees.

Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, said, "Practice sales goodwill values are becoming increasingly difficult to predict. Geographical factors seem to be becoming increasingly important, and this links with a similar pattern in associate availability. Alternatively, perhaps the latest quarter could indicate that an era of high, perhaps inflated valuations may be coming to an end. It will be interesting to see if the deals done figure falls back in the next quarter, as if it does that would suggest a more general reduction in practice sales values.

There does seem to be a real problem for many practices in recruiting associates leading to them having to pay higher remuneration. Added to the fact that some practices are missing UDA targets, and the NHS contract landscape is uncertain, it would not be unreasonable to suggest that goodwill values could fall back somewhat. "

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 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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