



For immediate release – Tuesday 21st March 2017

NASDAL Annual Benchmarking Statistics – The demise of the single-handed practitioner?

It seems that the single-handed dentistry model may be a thing of the past in the UK. The latest NASDAL (National Association of Specialist Dental Accountants and Lawyers) Benchmarking Report has just been released and shows a decrease of almost 12% in profits for single-handed practices in just two years. In 2014 the average net profit per principal in a single-handed practice was £119,732 and by 2016 this had slumped to £105,914. This compares with a figure of £138,511 average net profit per principal in 2016 for a practice with associates.

Ian Simpson, Chartered Accountant and a partner in Humphrey and Co, which carries out the statistical exercise said, “It seems that with increasing costs in compliance and a feeling that they are unable to increase their fees, many single-handed practitioners are taking the hit with a continued fall in their profits. As a ‘compliance culture’ continues unabated, the future will be difficult for those going it alone.”

The report also saw average net profit per principal at NHS practices increase by nearly 4% - from £129,265 in 2015 to £134,102 in 2016. “In previous years we have seen a time lag effect of a year or so from a rise in private practice profitability to that experienced by NHS practices. We suggest that following the rise in private practice profits in 2015, this is again the case here,” explained Ian.

Associates see profits slip - again

Associates have been used to their profits flat-lining for more than a decade and the 2016 report showed no let up. Average profit in 2016 (£67,389) was down by almost 1% on 2015 (£68,024) and in real terms associates are considerably worse off than they were in the Noughties. This is likely to be down to market forces and with many practices feeling they cannot increase patient fees; the cost of paying associates is often the next place to look.

The annual Benchmarking Survey statistics are gathered from the accountant members of NASDAL across the UK who together act for more than a quarter of self-employed dentists. The statistics provide average ‘state-of-the-nation’ figures so NASDAL accountants can benchmark their clients’ earnings and expenditure and help them run their practices more profitably. The basis of the survey

figures is 2016 tax returns and accounts with year ends up to 5 April 2016. Therefore there were no effects, adverse or otherwise from the Brexit referendum.

Nick Ledingham, of Morris & Co, Specialist Dental Accountants and Chairman of NASDAL observed, "Whilst it is good news to see success for the majority of the sector, the increasing cost of compliance is a cause for concern. The arrival of Making Tax Digital will do nothing to allay dentists' fears that they are victims of a system that doesn't understand how they do business."

Also provided at the press conference where the benchmarking results were announced were the quarterly NASDAL goodwill survey from Alan Suggett, specialist dental accountant and partner in UNW LLP, and a presentation on the 5 hurdles to clear for a successful practice sale by Chairman of the NASDAL Lawyers' Group, Andrew Lockhart-Mirams.

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.

The NASDAL benchmarking statistics are published annually in March and reflect the finances of dental practices and dentists for the most recent tax year. The NASDAL figures provide a detailed picture of dental practice finances, sourced directly from dentists working privately and in the NHS. The figures published by the Public Health England's Information Centre later in the year reflect the income of NHS dentists only. NASDAL's designation of practices as either private or NHS reflects that 80% of business income comes from that source. The sample size is 650 principals and limited companies, and 600 associates.

Nick Ledingham, Chairman of NASDAL, is available for interview. To organise to speak to him or any other members of NASDAL for more information please contact Chris Baker.

For further information please contact Chris Baker on 0845 370 2211/07947 470896 or email chris.baker@coronadental.co.uk