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**Profits of the average private practice just outstrip NHS practice according to NASDAL survey**

The average profit of private dental practices in the UK has crept ahead of average NHS practices for the first time in nearly a decade according to the latest benchmarking statistics from the National Association of Specialist Dental Accountants and Lawyers (NASDAL). The profit differential is small, with an average NHS practice making a profit of £129,000 per principal, compared to £131,000 in a private practice but some strong performances in private practice in the financial year 2013-14 tipped the balance.

And that's not all, the picture for all dental practices is improving, said Ian Simpson, (pictured right) a Chartered Accountant and a partner in Humphrey and Co, which carries out the statistical exercise. "Income and profits are up across the board with all types of practice seeing increased profit and relatively unchanging costs. Fee income is up by £7k per principal in a typical NHS practice and by £23k in a typical private practice."

He said that private practices suffered in the years following the 2008 slump but have gradually picked up. This is partly due to private practices having greater control over their income than NHS practices and hence having a greater ability to recover from poor trading results in the recession.

In 2013/14, the average gross fee income generated by a dentist working in a private practice was £248,000, compared to £180,000 for a dentist in an NHS practice. Meanwhile, practice expenses equate to 65% of fee income for a NHS practice compared to 68% for a private practices.

The statistics are gathered annually from accountant members of NASDAL across the UK who together act for 27% of the dental profession. 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.

Ian said that a variety of key components had remained unchanged: UDA rates are almost identical, as well as business structures, with 58% of the profession being sole traders, and the rest either partnerships or Limited companies. The number of incorporated practices increased by only 3%. Earnings for associates have gone up by just a small amount, at around an average £700 per individual.

Nick Ledingham, of Morris & Co, Specialist Dental Accountants, the Chairman of NASDAL observed that the profit differential between NHS and private practices was small and should be regarded as a trend rather than a significant turning-point.

He commented: "Whilst there are most definitely some very difficult challenges ahead for both NHS dentists and private dentists, we are very pleased to see that the profession appears now to have weathered the economic storm."

Also at the press conference where the figures were announced were representatives of the NASDAL Lawyers' Group, Chairman Andrew Lockhart-Mirams and Jenin Khanam who provided an update on legal issues in the dental world.

### **Note to editors**

The picture shows Ian Simpson (right) and James Macreadie of Humprey and Co, the Chartered Accountants who carry out the statistical exercise.

NASDAL is an organization of more than 50 firms of accountants and lawyers which specialize in helping dentists. The NASDAL statistics are published annually in March and reflect the finances of dental practices and dentists for the most recent tax year. The latest to be released are for the year ending April 5th 2014, and are taken from the tax returns of NASDAL clients submitted by January 31<sup>st</sup> 2015.

The NASDAL figures provide a detailed picture of dental practice finances, sourced directly from dentists working in the NHS and privately. 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 reflect that 80% of business income comes from that source. The sample size is 650 principals and limited companies, and 600 associates.

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