



Profits down, costs up in NASDAL stats for 2010-2011

The annual benchmarking statistics just issued by NASDAL reflect the wider economy in 2010-2011, the most recent year for which figures are available. Fee income is down for both the NHS and private sectors, profits are generally down and costs have increased. The average net profit for a typical dental practice has reduced from £139,569 to £125,691.

Calculated annually by NASDAL firm Humphrey and Co, the statistics are gathered from a sample of practices across the UK to provide average 'state-of-the-nation' figures. They are used by NASDAL accountants to help dentists and dental practices benchmark their figures. A limited version of the statistics is made public at an annual press conference to produce a snapshot of dental practice finances across the country over recent years.

The statistics reflect the fee income of both NHS and private practices. To fit in either category, you must have a greater than 80% commitment. In NHS practices, fee income has fallen by 3%, whilst profits fell by nearly 10% compared to the previous year and are now back down to 2005/6 levels.

Private practice fee income has remained static but rising costs have led to a seven per cent drop in net profit. The average UDA rate paid to practices appears to have remained static at around £25 over the last three years. While the highest UDA rate paid to a practice was around £44, the highest to an associate was £33.50.

The profit of Associates has continued to fall and in 2010-2011 stood at around £68,000 compared to £71,000 in the previous year. The majority of associates still enjoy a 50% agreement with their principal but this is not always 50% of the full UDA rate agreed with the Primary Care Trust.

Ian Simpson, Chartered Accountant and Specialist Dental Advisor, said that while private practice appeared to be surviving reasonably well despite the economy in

2010-11, mixed practices had suffered. He added, larger practices had experienced the greatest impact on profit.

Nick Ledingham, NASDAL chairman, of Specialist Dental Accountants Morris and Co, speaking at the press conference, said the figures provided an interesting insight into how dentists and their patients responded to an economy in the doldrums. He believes the NHS fee income has dropped because fewer non-exempt patients were going for treatment and some dentists were opting not to fulfill or were unable to fulfill their NHS contract. He believes mixed practices which have fared least well are best placed to prosper as the economy recovers.

He added: "NASDAL clients will benefit hugely from the statistics as their accountants will be able to benchmark their results and work with them to ensure they are well placed to maximise their potential."

Note to editors

The NASDAL stats 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 April 2010 culminating in March 2011, and are taken from the tax returns of NASDAL clients submitted by January 31st 2012.

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 Department of Health's Information Centre later in the year reflect the income of NHS dentists only.

For more information or to obtain photos or the logo of NASDAL, please contact Caroline Holland on 020 8679 9595/07974 731396 or email caroline@carolineholland.eu