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**NASDAL benchmarking stats show private practices in recovery**

For the first time in eight years, the profit level of the average private dental practice is almost the same as the average NHS dental practice, based on the latest benchmarking statistics from the National Association of Specialist Dental Accountants and Lawyers (NASDAL). The average net profit in 2012/13 for a principal of a private practice was £124,086 compared to £125,958 for a principal of an NHS practice.

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 benchmark their clients' earnings and expenditure and to help them run their practices more profitably.

Looking at the market as a whole, the financial performance of a typical dental practice has changed little. What's interesting is to see how differently NHS and private practices are faring due to the flexibility that private principals have to adjust fees, activity levels and costs.

NHS practices have experienced a modest increase in fee income but a significant increase in overheads and as a result have seen a continued downward trend in profitability. By contrast, private practices have enjoyed their first increase in profits since the financial year 2007/8.

Life appears to be better for some associates too since they have enjoyed a modest increase in fee income and profit – the first since 2008/09 – and may also be experiencing a slight recovery. The average net profit for an associate in 2012/13 was £67,770 compared to £67,027 the previous year.

Ian Simpson, who is responsible for the statistics and is a member of NASDAL's main committee, commented: "NHS practices have seen a downward trend in terms of profitability while private practices have started to recover. The profit of a typical private practice was almost the same as an NHS practice in 2012/13, whereas back in 2008/09 the profit differential was more than £30K."

He added: "Although, fee income for a typical private practice has continued to fall, these practices would appear to have become leaner, reduced their costs and increased profit."

Nick Ledingham, Chairman of NASDAL and Senior Partner in Morris and Co, Specialist Dental Accountants, said: "Private practices have flexibility over the work they carry out and the patients they see so they can absorb an increase in costs while NHS practices have no control of activity levels or price."

#### **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 ending March 2013, and are taken from the tax returns of NASDAL clients submitted by January 31<sup>st</sup> 2014.

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. 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 600 associates.

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