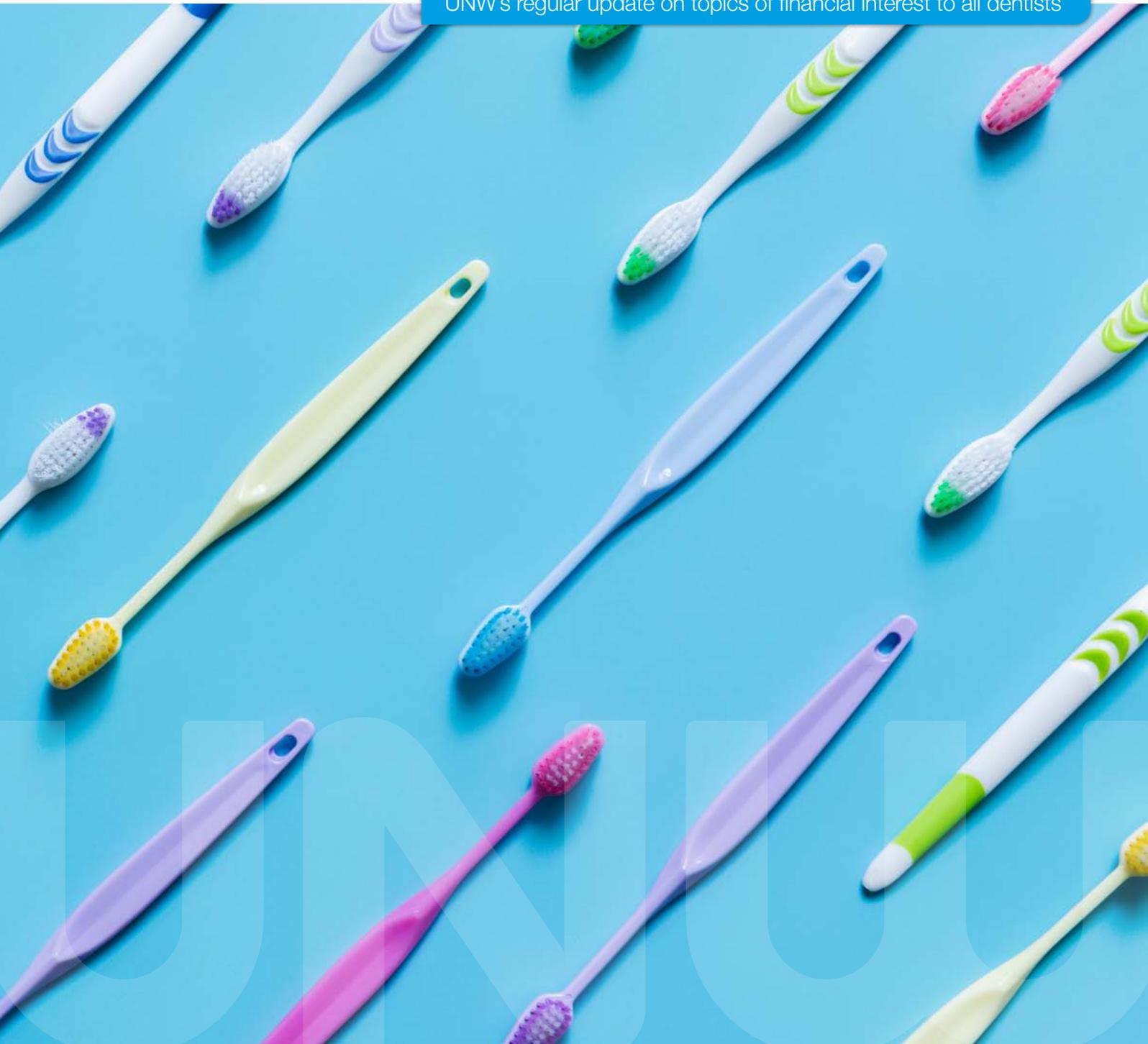


UNW's Dental Business Unit

# Dental Bulletin

UNW's regular update on topics of financial interest to all dentists



# NASDAL Goodwill Survey – big fall in NHS practice values

This week saw the latest survey results published from the NASDAL (National Association of Specialist Dental Accountants and Lawyers) Goodwill statistics. This survey covers the quarter ending 30th April 2021 and includes data on valuations as well as deals done (i.e., practices bought or sold by NASDAL members' clients in the period).

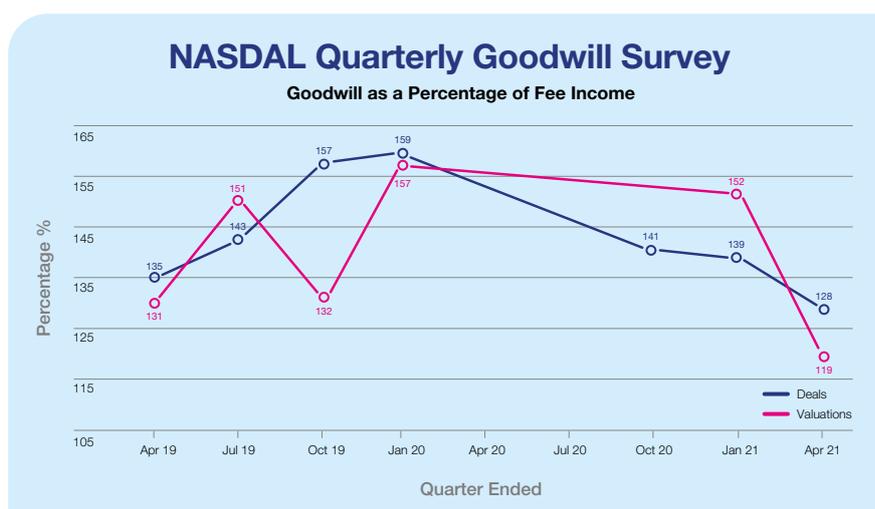
Goodwill as a percentage of fee income in the quarter across all types of practice averaged 128% of gross fees – down from 139% in the quarter to January 2021. The big drop was in NHS practice goodwill – down from 191% of gross fees in the previous period to 146% of gross fees this time.

Private practices values stayed steady at 110% of gross fees compared to 114% of gross fees in the previous period. Mixed practices, which can be the most volatile of the three categories, saw quite a leap – up to 156% of gross fees compared with 110% last time.

## More realistic valuations?

The graph also illustrates a big drop in valuations. Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, said, “I wonder if the big drop in valuations has seen the dental valuation market catch up with the prices that are actually being paid and is just the market correcting itself.

“In regard to the big drop in NHS practice values, I would have to say that I am somewhat surprised by this. It has certainly not been my subjective experience. I have heard



some raise concerns about the long-term effect of the Covid pandemic on the ability of NHS practices particularly to run profitably. While the virus was initially seen to be short-term and something that we might be over in a few months, banks were perhaps willing to lend on previous accounts and figures. As it rumbles on, less so.

“It does seem likely that from a dental perspective there will be longer term implications in regard to PPE, patient numbers, air filtration and so on. Whether this will hit NHS practices hard that needed a good level of patient throughput to be successful, only time will tell.”

The goodwill figures are collated from accountant and lawyer members of NASDAL in order to give a useful guide to the practice sales market. These figures relate to the quarter ending 30th April 2021.

NASDAL reminds all that as with any averages, these statistics should be treated as a guideline only.

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# You're invited to our upcoming webinar...

## The Dental associate \$64,000 question – is the future employment or self-employment?

**Date: Thursday 15th July 2021**

**Time: 7pm - 8pm**

**Location: Online via Zoom**

*What are the financial implications for both practice owners and associates?*

*What are the key issues impacting on the tax status?*

There is a potential risk-free self-employment solution for some associates – we will explain how this can work.

Hosted by UNW Dental Business Unit Partner Alan Suggett, this webinar will cover all areas of interest to both practice owners and associates.

UNW's employment tax specialist Paul Tucker will discuss the financial implications and key issues, and senior dental manager Mike Blenkarn will outline a worst-case scenario potential solution.

Alan will also briefly cover the recent clarification of NHS Pension rules for those practices operating NHS subcontracts (which has created a problem for many practices – we will also explain the solution).

There will be an opportunity for live questions to be asked by our virtual audience, and answers given.

Attendance is free, but places are limited in number.

If you would like to sign-up for this webinar, please register below:

<https://unw-zoom.link/dbu-july2021>

**Follow Alan on Twitter:**



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Any questions?

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