Summer 2026

Dental Bulletin

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

Latest NASDAL Goodwill Survey results

A great time to buy

Making Tax Digital for Income Tax

Meet the team: Patricia McGuinness

Outsourcing Specialist

Specialist dental accountants & advisers

UNW Dental is a leading national advisory team that acts for over 500 dentists across the UK.

Led by Mike Blenkharn, our dental team has a wealth of experience in NHS contracts, net pensionable earnings, tax affairs, exit strategies, and retirement planning. Our clients benefit from access to UNW's Tax experts and the expertise of our Corporate Finance team who advise on and oversee large dental practice sale transactions.

How can we help?

- Dental practice accounting and tax compliance
- Strategic planning
- Preparation of Associate dentist accounts and tax returns
- Structuring your practice
- Buying and selling practices
- Refinancing
- Maximising practice profitability
- Payroll
- Making Tax Digital (MTD) software training and support
- NHS pension scheme (NHSPS)

www.unw.co.uk/dental

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Welcome to the UNW Dental Bulletin.

Welcome to another edition of the UNW Dental Bulletin. As the ancient Greek philosopher Heraclitus once said, 'Change is the only constant in life'. There have been many changes on several fronts recently. Some personal (the birth of my second daughter in June), some within UNW and several for dental professionals. The Dental Team said goodbye to Phil Collins, whom many of you will know, who left UNW to work in the motor industry – we all wish Phil all the best. We have had some recent additions; Trish and Kirsty. You can find out more about Trish, who features in our 'Meet the Team'. Finally, Hannah Beattie has recently been promoted to Assistant Manager and we have all celebrated her success.

Changes for dentists are coming in thick and fast. Firstly for sole trade dentists, who are in the throes of submission requirements for Making Tax Digital. There is more information within the bulletin but in short, those who are captured by this will have to make quarterly submissions to HMRC, reporting their income and expenses for the period.

VAT is rarely in the headlines of dental publications, but as you will read further on, there have been some recent developments in a few areas. The most prevalent one is in respect of the recent Invisalign/HMRC battle. HMRC won their appeal and now Invisalign are to charge VAT on aligners from September. This will increase costs for dentists and practices will need to evaluate options on how to maintain their profit margins. If you would like to discuss this with UNW, please get in touch with me or one of the team. This recent case does bring into the spotlight the general trend for increasing amounts of cosmetic work and how HMRC are paying an interest in this type of work. Ending on a positive note, there was another recent announcement on the increased Capital Goods Scheme threshold, by which there can be cashflow planning opportunities when acquiring a property and/or undertaking significant redevelopment work. This is a complex area so please do contact Mark Hetherington or Ian Coulthard, who can advise further.

You will see from recent trends that goodwill values are taking a tumble. My article goes into more detail but what I will mention is that these are averages. Strong-performing practices are still achieving high multiples. Buyers are definitely performing more financial due diligence, scrutinising practice performance more closely. A large proportion of my time is spent helping practices to improve profitability, mainly in preparation for an exit. This is a dedicated service offering taking a deep dive into the business of running a dental practice, finding efficiencies and maximising return. It is essentially a Profit Improvement Growth Program but I have yet to come up with a snappy name!

Lastly, I wanted to highlight a huge UNW success in respect of a recent transaction that we advised on. Both UNW's dental accounting team and our in-house M&A advisers were involved. Our ability to advise on deals like this using our award-winning M&A team is one area that sets us apart from other accountants, and what makes us unique in the dental sector. These combined powers resulted in our clients maximising value on exit.

I'm extremely proud of our ability to add value to all practices of any size and hopefully the content of this bulletin illustrates this. Perhaps this is one example of the constant being no change.

Mike Blenkharn
Partner & Head of Dental at UNW

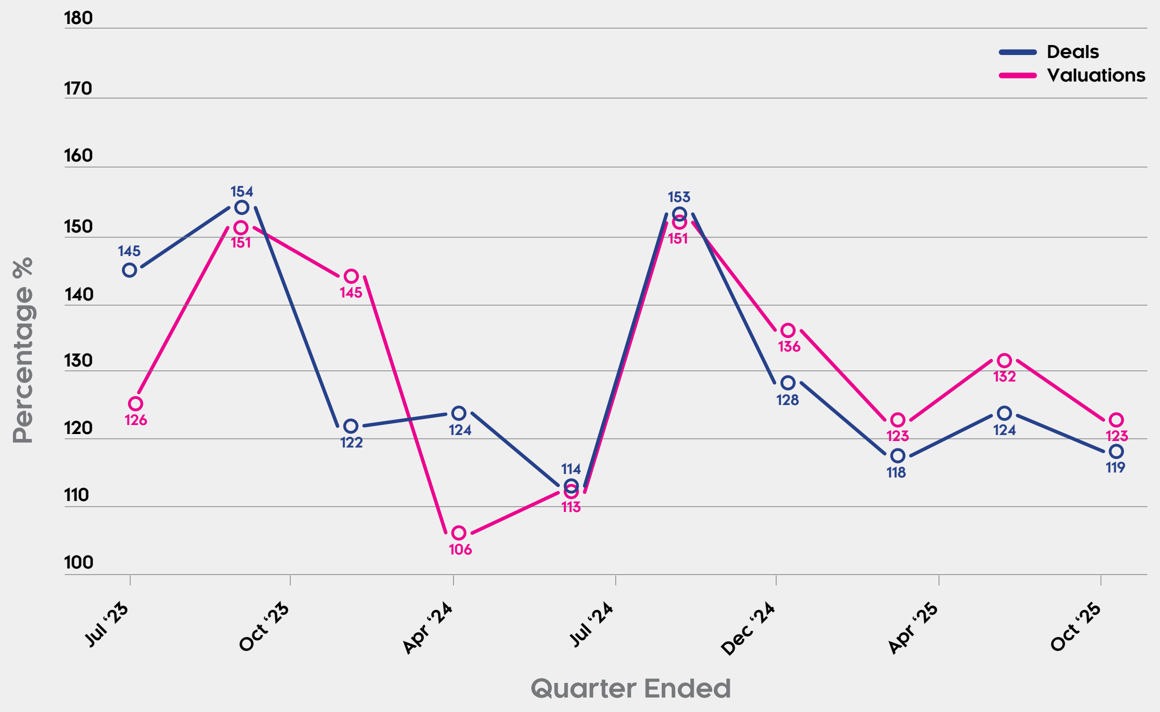
NASDAL Goodwill Survey

Latest survey results - a great time to buy

The latest NASDAL (National Association of Specialist Dental Accountants and Lawyers) statistics from their quarterly Goodwill Survey have been released. The survey covers the quarter ending 31st October 2025 and includes data on valuations as well as deals completed (i.e., practices bought or sold by NASDAL members' clients in the period).

The quarter ending 31st October 2025 saw goodwill values slightly down in terms of deals done. Overall, goodwill values were at 119% as a percentage of gross fees - compared with 124% in the quarter ending 31st July 2025. Mixed practice goodwill values saw a jump - up to 144% of gross fees compared with 122% in the previous quarter. However, NHS goodwill values took quite a drop - down to 111% from 153% as a percentage of gross fees in the previous quarter. Private practices

Goodwill as a Percentage of Fee Income



were steady; 100% as a percentage of gross fees compared to 106%.

“A great time to buy”

Mike Blenkharn, Partner and Head of Dental at UNW LLP who compiled the goodwill survey on behalf of NASDAL said, “the market continues to be busy and I am not sure there is any great trend emerging - apart from perhaps ‘normality’. NHS values were down in this quarter and I am personally seeing a decline in interest in NHS practices. There is still huge interest in private and mixed practices though. We are finding that banks are still very willing to lend to the sector - it is a great time to buy.

“Moving forward, we will see more pressure on practice costs as minimum wages increase and there is a continued downturn in private sector revenue for larger, elective treatment plans.”

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 31st October 2025.

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

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About NASDAL

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.

NASDAL
National Association of Specialist Dental Accountants & Lawyers

UNW advises shareholders of Bamford Dental Practice on sale to Colosseum Dental

North East independent accountancy and business advisory firm UNW has advised the shareholders of Bamford Dental Practice on the successful sale of the business to Colosseum Dental, one of the UK's leading dental groups.

The transaction saw the shares in the Rochdale-based practice acquired by Colosseum Dental from shareholders Bryan Bennett, Maria McNally and Mark Edmondson.

Established more than 40 years ago, Bamford Dental Practice has grown into one of the North West's leading multi-disciplinary dental practices. The business operates from an 11-surgery facility in Rochdale and provides a wide range of services including general dentistry, orthodontics, implants and oral surgery. It has built a strong reputation among both patients and referring dental practices across the region for specialist treatments and high-quality patient care.

UNW's Deal Advisory team acted as lead advisers to the shareholders throughout the transaction. The deal was led by Partner Nick Broadhead, supported by Chris Newman and Naomi Townsend. The team prepared marketing materials, managed discussions with a shortlist of interested parties, coordinated the due diligence process and worked closely with legal advisers and other stakeholders to successfully deliver the transaction.

Reflecting on UNW's support throughout the process, Bryan Bennett said: "From the outset, the team demonstrated professionalism, market knowledge and excellent communication. They provided clear advice at every step and were always on hand to offer support when needed.

"The Information Memorandum was of an exceptionally high standard and played an important role in generating interest from buyers. As we approached completion, the team worked tirelessly to keep the transaction moving and ensure we achieved our desired outcome. We would have no hesitation in recommending them to other practice owners considering a sale."

Nick Broadhead, Corporate Finance Partner at UNW, said: "Bryan, Maria and Mark have built an outstanding practice with a strong reputation, an exceptional clinical team and a loyal patient base. The quality of the practice and breadth of specialist services on offer generated significant interest from prospective buyers.

"We're seeing significant levels of activity across the dental sector, with consolidators continuing to seek high-quality practices and valuation multiples remaining strong. Having advised on a number of dental practice transactions in recent years, we've seen continued appetite for well-established businesses with strong reputations and growth potential. We're pleased to have supported the shareholders on this important transaction and wish them every success for the future."

UNW has advised on a number of dental practice transactions across the UK in recent years, with clients benefitting from the combined expertise and close working relationship of our specialist dental accounting team and M&A advisers.

If you are a dental practice owner looking to buy, sell, or invest, get in touch with us at enquiries@unw.co.uk.

Making Tax Digital for Income Tax

WHAT DOES MTD MEAN FOR YOU?

Making tax digital (MTD) for income tax is being phased in by HMRC from April 2026 to those that receive income from self-employment and/or property as follows: -

PHASE 1

Gross combined turnover above £50,000 – 6th April 2026

PHASE 2

Gross combined turnover above £30,000 – 6th April 2027

PHASE 3

Gross combined turnover above £20,000 – 6th April 2028

The current regulations don't cover partnerships, but MTD is expected to be extended to partnerships in the future, but no date has been announced yet.

When MTD for income tax becomes mandatory to you, you will be required to do the following:-

- Maintain digital accounting records in a software product. Maintaining paper records will no longer meet the legislative requirements,
- Submit quarterly updates to HMRC within just over 1 month after the reporting month and a year-end return after the end of the tax year. The submissions must be made using compatible software that can access HMRC application program interfaces (API) platform or via your accountants.

MTD for income tax will not change the underlying income tax rules or the filing and payment dates for income tax, also MTD will not change the level of detail when submitting your year-end records to HMRC as this remains the same as current SA tax return.

WHY IS MTD FOR INCOME TAX IMPORTANT TO DENTAL PRACTICES

Not only does the owner of the business need to comply (if a sole trader) but all self-employed individuals within the practice will also need to comply with MTD for income tax. i.e. if you have 1 or more Associates/Clinicians/Hygienists/Dental nurses who receive over £50,000 gross income (over all income streams) then they will also need to be registered for MTD for income tax from April 2026, if over £30,000 then April 2027 etc.

WHY IS MTD FOR INCOME TAX IMPORTANT TO SMALL BUSINESSES

MTD for Income Tax modernizes the way self-employed sole traders and landlords report their income and expenditure to HMRC, by requiring quarterly updates it helps ensure that businesses stay on top of their tax obligations and avoid end-of-year tax bill and also streamlines the filing of income tax to make it easier for business to manage their finances and potentially avoid costly penalties for non-compliance.

SOFTWARE

HMRC does not expect to develop any software itself but will work with the software industry in developing products that may be free but have no clarification on the functionality these free software's will have.

The use of spreadsheets, either to record individual transactions or as part of a software product will be permitted, however, the spreadsheet must be either API enabled or used in combination with an MTD Compatible software so that the data can be sent to and received from HMRC systems; an existing spreadsheet on its own will not be a free solution for complying with the MTD requirements. There is a requirement for a digital link where a combination of software product and/or spreadsheet is used.

There are many software products out there from Xero, Dext, Quickbooks & Sage only to mention a few but these will come with a cost but this cost wont break the bank and you will be compliant with HMRC, you could also use the software to better your businesses finances and also your knowledge about your business that previously you didn't look at i.e. monitoring costs and budgeting.

When using one of the software products mentioned above you can store your invoices and receipts digitally, this makes it less likely for receipts and invoices to go missing also good for the environment being paperless (although this is not a requirement to MTD to have receipts/invoices digitally).

QUARTERLY UPDATES

Quarterly updates will be required for standard quarters, irrespective of your businesses accounting periods.

The standard quarters are:

1. 6th April to 5th July
   Deadline for submission 7th August
2. 6th July to 5th October
   Deadline for submission 7th November
3. 6th October to 5th January
   Deadline for submission 7th February
4. 6th January to 5th April
   Deadline for submission 7th May

Businesses can elect to have these changed to calendar quarters but the deadline for submission will remain on the 7th of the following month:

1. 1st April to 30th June
2. 1st July to 20th September
3. 1st October to 31st December
4. 1st January to 31st March

PENALTIES

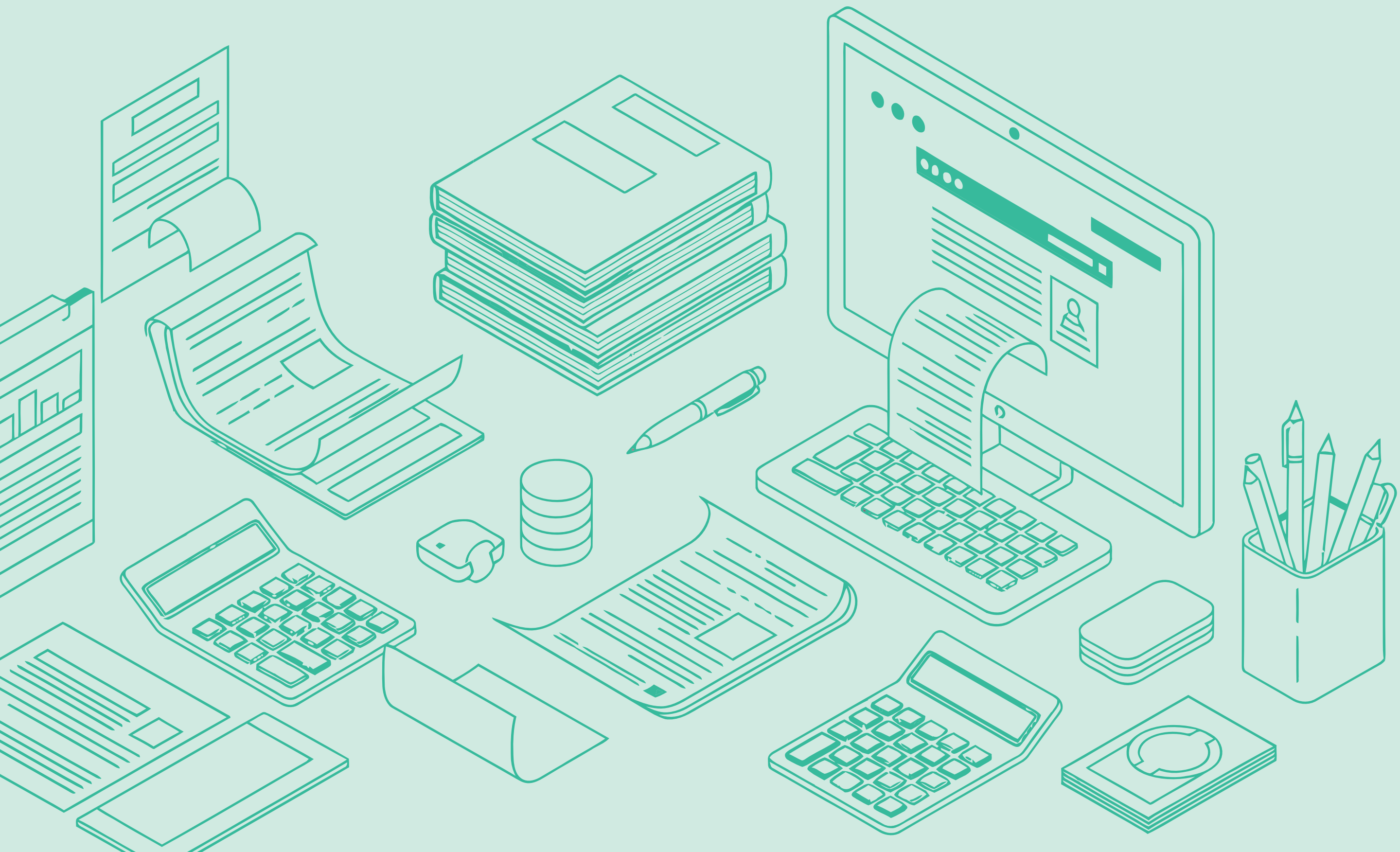
A new system of penalties for late submission and payment of income tax is being introduced alongside MTD for income tax.

The new late submission penalties are points based.

During the MTD for income tax testing period 2026/27 tax year, no penalties will be charged for late quarterly submissions, but you will receive a penalty point for the annual one should this be late. Once the 2026/27 tax year is over then each quarter you are late will receive 1 penalty point and therefore receive a £200 penalty for every 4 points received.

The new late payment penalties are being charged where there is a balancing payment due on your tax return, this is equal to 3% of the tax outstanding and in April 2027 this will increase to 4%.

HMRC also have a penalty of £3,000 available for failure to keep digital records or for a break



in digital links within the compatible software but there is no mechanism to charge these penalties automatically.

ARE THERE EXPEMTIONS AVAILABVLE AND WHO CAN APPLY FOR EXEMPTION

Simple answer is yes but these are temporary and have to be applied for each year unless HMRC reward you automatic exemption.

Even if your income falls within the MTD limits, you may be able to apply for digital exclusion exemption.

This exemption is for people who cannot reasonably use digital tools for the following reasons:-

- Age or Disability
- Remote location with poor internet access
- Religious beliefs that prevent the use of electronic devices
- Other practical reasons making digital use impossible or very difficult.

In all cases you must contact HMRC directly asking for this exemption and each case will be reviewed individually.

FINAL THOUGHTS ON MTD FOR INCOME TAX

The transition to MTD for Income Tax represents a significant change in how income is reported to HMRC. It aims to improve accuracy, reduce errors, and modernize the UK tax system. While it introduces new requirements and challenges, it also offers a more streamlined and efficient way to manage tax obligations.

For those already self-employed or landlords with qualifying income, the move to MTD will require a shift in digital record-keeping and accounting practices. It is crucial to plan ahead, select compatible software, and ensure compliance to avoid penalties and disruptions.

Meet the team:

Q&A with Patricia McGuinness, Outsourcing Specialist

Tell us a bit about your background and when you joined the firm.

I've lived in Newcastle upon Tyne all my life and originally studied A Levels in Maths, Physics and Christian Theology. During my second year of sixth form, I was offered a YTS placement at a small accountancy firm in Jesmond, which I started in September 1994. That opportunity really set the direction for my career.

I spent 21 years there, qualifying as AAT in 2000 and becoming part-qualified ACCA shortly afterwards, later becoming a mum in 2002 and again in 2006. I then moved into industry in 2015, working as a Management Accountant for a large construction business in Sedgefield, before returning to practice in 2019.

After a short spell helping one of my former clients who had lost their Management Accountant, I realised how much I missed practice and working closely with a range of clients. I joined UNW shortly afterwards and haven't looked back since.

What is your role within the UNW Dental team?

I work as an Outsourcing Specialist within the dental team, supporting clients with their day-to-day financial management and reporting.

My role is quite varied. I prepare monthly and quarterly management accounts, along with KPIs and reporting dashboards to help clients understand how their businesses are performing. I also support with payroll, year-end accounts and wider financial processes.

One of the things I enjoy most is acting as an extension of the client's team and helping them make informed decisions based on good financial information.

What do you enjoy most about working with dental clients?

Working with dental clients has been a really interesting learning experience. Before joining UNW, I didn't know a huge amount about the sector, so I'm grateful to Mike and the wider team for helping me get up to speed.

It's a specialist industry with its own unique challenges and ways of working, which keeps things interesting. I enjoy getting to know the clients and understanding how each practice operates, as no two businesses are exactly the same.

What challenges are you currently helping clients with?

One of the main areas I'm currently supporting clients with is Making Tax Digital (MTD). It's a significant change for many businesses, so a lot of my focus has been around helping clients improve their bookkeeping processes and become more confident using Xero, ensuring their records and HMRC submissions are accurate and compliant.

I'm also currently supporting a large dental group with the implementation of a new purchase ordering system across four practices. The aim is to improve the way expenditure is categorised and reported from the point an order is raised, helping provide more accurate management information.

That involves a lot of training and support for practice managers and staff, which is something I enjoy.

What's your favourite part of the job?

The people and relationships are probably my favourite part of the job.

When I joined UNW, I expected that working for a larger firm might feel quite impersonal, but it's been the complete opposite. Everyone is approachable and supportive, and you genuinely feel valued as part of the team.

I also really enjoy building strong relationships with clients. Having experience both in practice and industry helps me understand the day-to-day challenges businesses face, and I enjoy helping clients improve systems and processes to make things run more smoothly and efficiently.

What do you like to do outside of work?

I have a holiday home in the Cheviot Hills in Northumberland, so during the spring and summer I spend most weekends up there enjoying the countryside with my dogs.

I particularly enjoy walks to Hareshaw Linn waterfall, usually followed by a trip to the local pub afterwards.

Outside of that, I'm a big fan of the Northern Soul music scene and regularly go to events and nights out across the region.

If you weren't an accountant, what would you be?

I honestly think I still would have ended up working in finance in some form.

I did my work experience in a bank in Newcastle city centre and really enjoyed it, but from the age of around 14 I'd already decided I wanted to become an accountant. It was always the career I worked towards, so I was lucky to find something that suited me early on.

What You Need to Know

Possible increase in the VAT Capital Goods Threshold – a cash flow planning opportunity with property

We are regularly asked by our dental clients whether there are any VAT efficiencies by putting practice properties into a separate company and renting to the operating dental practice. The question mainly being asked where a client is looking to potentially acquire a property or carry out significant redevelopment/fit out but with both carrying a VAT cost (and wanting to reclaim the VAT).

To date this has not been cost effective because the arrangements only achieve the hoped for VAT outcomes for properties or redevelopments with a capital cost of less than £250k (ex VAT). This is because of a specific piece of VAT legislation which applies to properties caught by the VAT Capital Goods Scheme (the £250k threshold) and let to connected parties which mainly carry out VAT exempt activities (i.e. dental practices).

The good news is that from 29 July 2026 the threshold, which had been in place since 1990, was increased to £600k (ex VAT) which now opens up this type of VAT cash flow planning, providing of course that the cost of property projects stay beneath this threshold.

HMRC continue to challenge VAT exemptions where they consider the purpose of treatment is cosmetic

For a healthcare/medical treatment to qualify for VAT exemption it has to be:

- Performed by an appropriately qualified person; and
- It's main purpose being to protect, maintain or restore a person’s health

From time to time we see HMRC challenge this treatment especially where the healthcare establishment’s marketing is along cosmetic lines, for example teeth whitening or fillers.

Where HMRC are successful the VAT cost to the establishment is expensive because the offering is very labour orientated so has little input tax (incurred on materials) to offset against the VAT liability.

Over the last couple of years we have seen a clear shift in HMRC’s attitude to collecting as much tax revenue as possible so we think it will only be a matter of time before they carry out a focused VAT campaign in this area of healthcare.

Upper Tax Tribunal decision involving "aligners" – disappointing news for practices

In a decision released in early July, HMRC has been successful in its appeal regarding the VAT status of "dental aligners".

The case was brought by HMRC against Align Technology Switzerland AG ("Align"), following Align's successful appeal to the First-tier Tribunal in early 2025.

The Upper Tax Tribunal concluded that the VAT exemption for the supply of "dental prostheses" must be interpreted strictly. It agreed with HMRC's view that a prosthesis is an artificial item designed to replace a missing or damaged tooth, such as a crown, bridge or denture. The Tribunal found that the exemption does not extend to dental appliances, a category into which it considered aligners to fall.

While this decision does not alter the VAT exemption that applies to the provision of medical care by a suitably qualified healthcare professional (such as teeth alignment treatment), it will increase the cost to practices of providing these services, as irrecoverable VAT will continue to be incurred on the purchase of aligners and similar items.

As a decision of the Upper Tax Tribunal creates binding precedent, it will be interesting to see whether Align decides to take the matter further by appealing to the Court of Appeal.

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You're Invited!

Circle of Trust:

Newcastle & North East

Join Wesleyan, UNW, Sintons Law and Christie & Co on **Thursday 26th November** for an afternoon and evening of insight, education, connection, and opportunity - designed specifically for dental professionals.

Whether you're looking to expand your portfolio, buy your first practice, or plan your exit strategy, this event is tailored to support your journey.

Event Agenda

4:00-5:00pm: Arrival & Registration (with tea and coffee)

5:00-6:00pm CPD sessions from industry experts at Wesleyan, Sintons Law, UNW, and Christie & Co

6:00-8:00pm Networking, Gin Tasting & Food

Full details and registration here

Noteworthy

Noteworthy

Unlike others

Find out how at unw.co.uk

What makes UNW different?
It's our people.

With exceptional expertise, a genuine interest in going above and beyond, and a proven track record of success, our people are committed to looking after our clients and delivering a service that far exceeds expectations.