

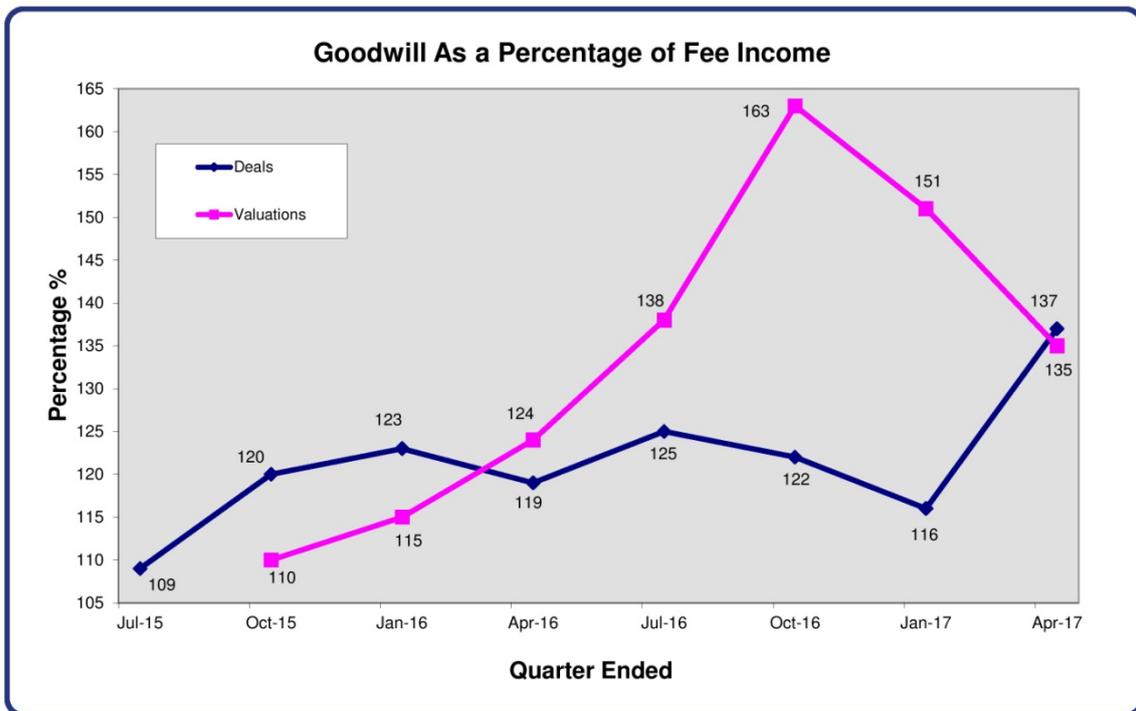


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Practice Goodwill values – the top of the market?

The National Association of Specialist Dental Accountants and Lawyers (NASDAL) have released the results of their latest goodwill survey and it does appear that following a number of years of impressive growth, there is now a levelling out of prices being paid.

NASDAL QUARTERLY GOODWILL SURVEYS



Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, explained, "It certainly does appear that the 'boom' in the practice sales market may be on the wane. It is interesting to see the convergence of the valuations and deals done data – this could suggest that there is a realisation that prices are not going to continue to rise at the same rate. It is worth noting though that the market is still rising, if perhaps more slowly."

Cliff Fleming, partner at Condie & Co Chartered Accountants based in Fife commented, "In Scotland there is still a very active market if not quite at the levels of London and the South East. In terms of private practice, the UK-wide figures are well in excess of what we are seeing. A recently completed deal in Scotland saw 87% for a private practice with good sustainable profit – the UK-wide figures are at an average of 114% of goodwill as a percentage of fee income. The values, I fear, are perhaps based on the appetite within our banks to fund private with the NHS being seen as more "guaranteed"?"

The goodwill figures are collated from accountant and lawyer members of NASDAL on a quarterly basis in order to give a useful guide to the practice sales market. These figures relate to the quarter ending 30th April 2017.

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

ENDS

Note to editors:

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.

Alan Suggett, who compiles the NASDAL Survey, and Nick Ledingham, the Chairman of NASDAL, are both available for interview. To organise to speak to them or any other members of NASDAL for more information please contact Chris Baker.

For further information please contact Chris Baker on 0845 370 2211/07947 470896 or email chris.baker@coronadental.co.uk