

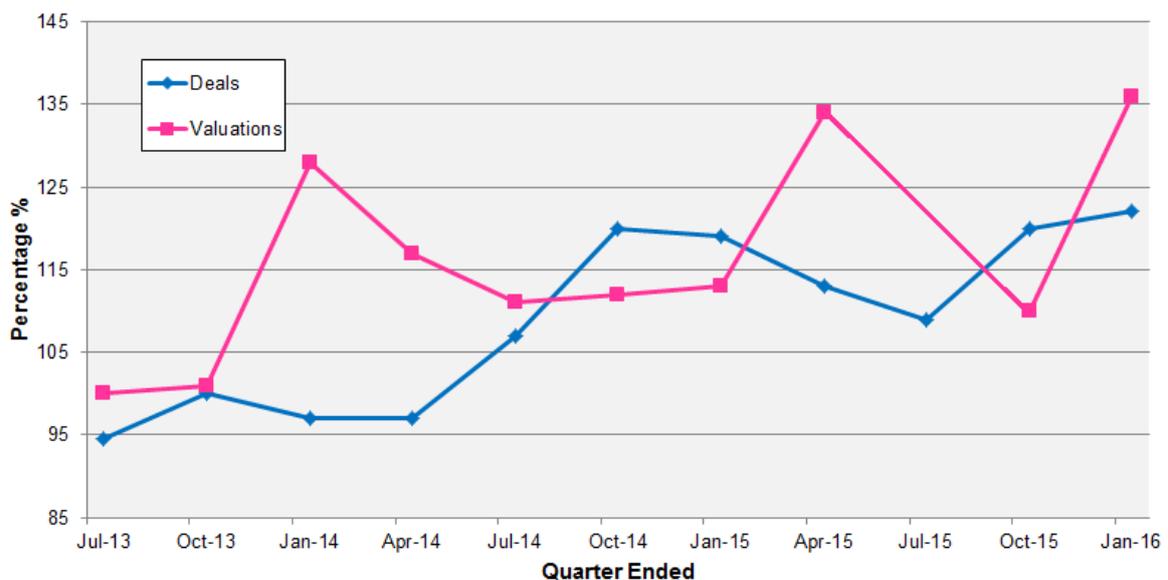


Mixed and NHS Practice values continue to soar

There has been talk about a bubble, but it certainly shows no sign of bursting at present as reported in the latest NASDAL (The National Association of Specialist Dental Accountants and Lawyers) goodwill survey. Practice sales as a percentage of goodwill continue to increase – particularly in the NHS and Mixed sectors.

The average goodwill value for practices being sold with an NHS contract is 153% of turnover; up from 140% in the previous quarter. Mixed practices have seen the average goodwill rise from 104% to 123% in only nine months.

Goodwill as a Percentage of Fee Income



Alan Suggett, specialist dental accountant and partner in UNW LLP, commented, "The market as a whole remains buoyant – it seems determined to ignore the uncertainty around the NHS in particular and is carrying on regardless ."

Indeed, one NHS practice sold for 294% of turnover and one mixed practice for 202% of turnover. Private practices have remained reasonably steady seeing an average goodwill figure of 84% - up from 76% at the end of October 2015.

Russell Abrahams, Senior Partner at Abrahams Dresden explained, "At the current time it seems that demand massively exceeds supply. It is a tough time to be an associate and many are keen to rush into practice ownership, with additional pressure from the increasing volume of corporate purchases. There is a good deal of family money in the marketplace along with banks that have a renewed appetite for lending. These trends look set to continue for the foreseeable future."

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 31st January 2016.

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.

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