

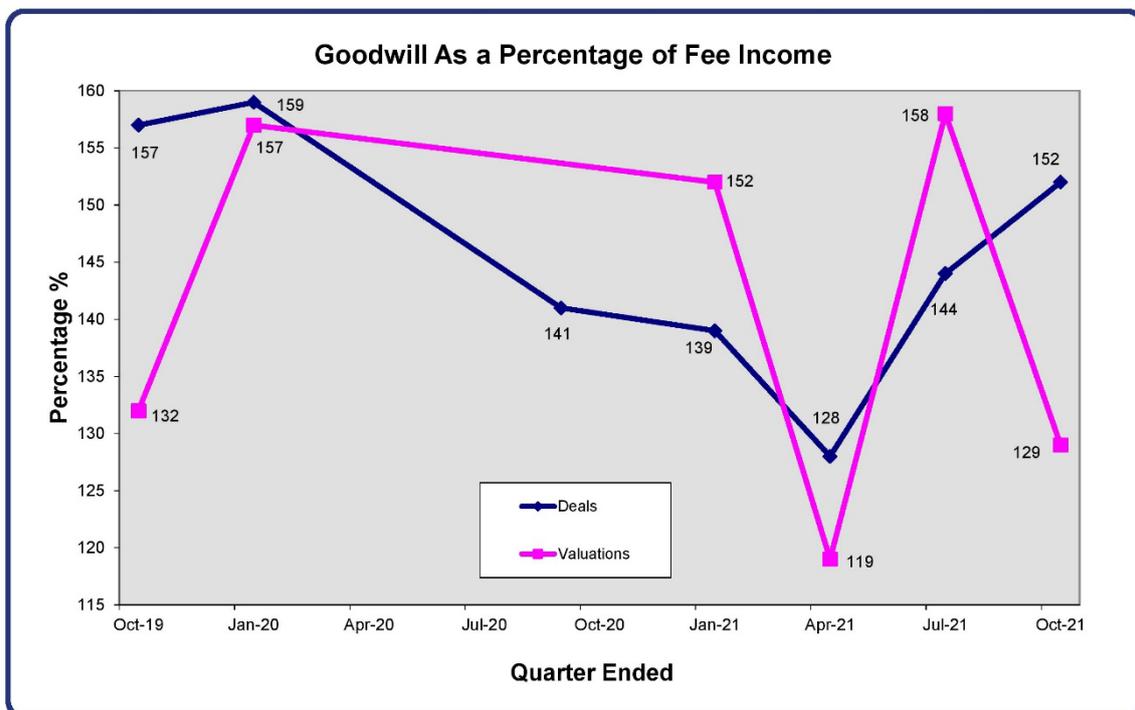


For immediate release

**NASDAL Goodwill Survey – NHS practice values see big drop**

This week has seen publication of the latest results from the NASDAL (National Association of Specialist Dental Accountants and Lawyers) Goodwill Survey statistics. This survey covers the quarter ending 31<sup>st</sup> October 2021 and includes data on valuations as well as deals completed (i.e., practices bought or sold by NASDAL members’ clients in the period).

**NASDAL QUARTERLY GOODWILL SURVEYS**



The quarter saw a varied picture for NHS, Private and Mixed practices. Overall, there was a small increase in goodwill as a percentage of fee income in the quarter across all types of practice – deals averaged 152% of gross fees – up from 144% in the quarter to 31<sup>st</sup> July 2021.

The big increase in values was for mixed practices which saw practice goodwill at 179% of gross fees – a big jump from 145% in the last quarter. Private practice goodwill values stayed steady at 132% of gross fees (133% in the previous quarter).

However, NHS practices saw a big drop in goodwill values to 138% of gross fees – down from 161% in the quarter to 31<sup>st</sup> July 2021.

### **NHS Practices – no longer the ‘safe’ option?**

Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, commented, “These results may come as a surprise to some coming as they do, in the uncertainty of a worldwide pandemic. It may also be the case that the pandemic is causing deals to take longer to get done than they usually do and this is skewing the figures in this quarter.

“It could be that this is the beginning of a trend as dentists turn their back on NHS practices due to uncertainty around their value in years to come – only time will tell. Their guaranteed income at this time still makes them an attractive investment to some buyers. NASDAL colleagues are still reporting that the practice sales market is robust and that sale prices are not being reduced and are reaching their full potential.”

NASDAL member Johnny Minford of Minford Specialist Dental Accountants, observed, “Anecdotally, I’m seeing a lot less interest in buying primarily NHS practices because the uncertainty of required achievement has increased negative attitudes and pulled down prices (rightly or wrongly).

“On the other hand, mixed practices could be seen as the best of both worlds – clinical staff can move to work on private treatment with broader freedoms, or push to achieve the NHS targets and keep the steady monthly income coming in at different times of the year as necessary.”

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 31<sup>st</sup> October 2021.

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.

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