

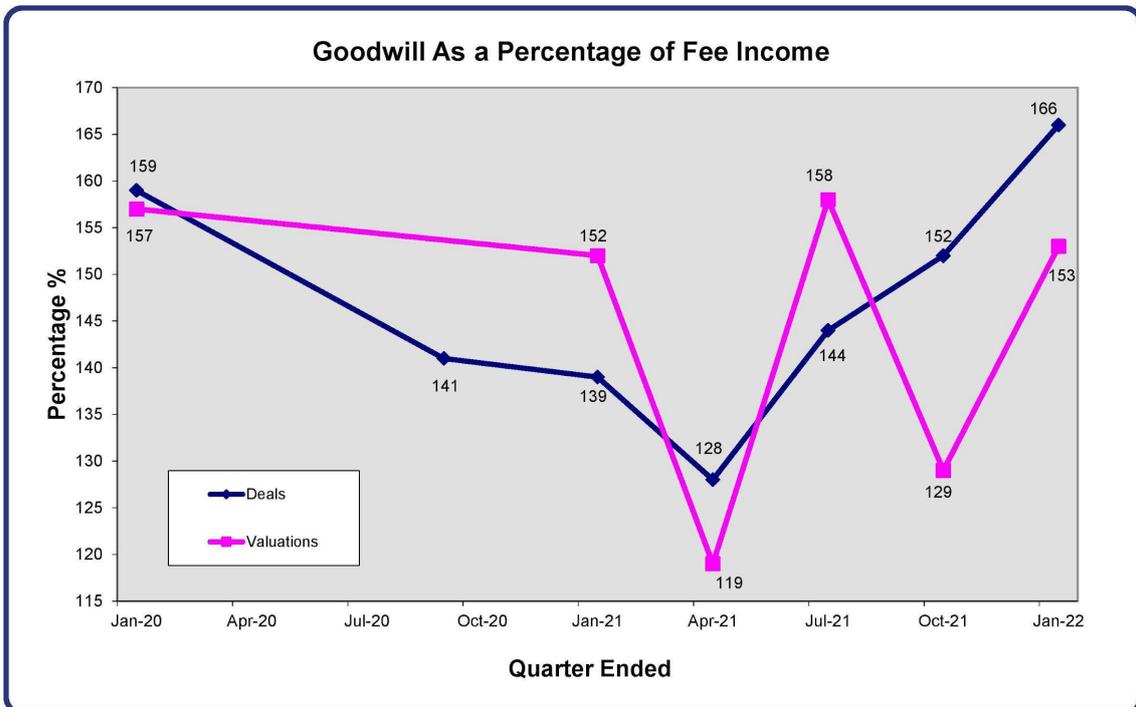


For immediate release

NASDAL Goodwill Survey – market continues to bounce back

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 31st January 2022 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 showed a continuing pattern of increases in goodwill values across the board but with less enthusiasm for NHS dental practices than was seen pre-pandemic.

Overall, there was a significant increase in goodwill as a percentage of fee income in the quarter across all types of practice – deals averaged 166% of gross fees – up from 152% in the quarter to 31st October 2021 and from 144% for the quarter ending 31st July 2021.

Private practices saw practice goodwill at 155% of gross fees – a large increase from 132% in the last quarter. Mixed practice goodwill values were also on the up as they rose to 189% of gross fees (179% in the previous quarter).

NHS practices did see a slight increase after their big drop in goodwill values in the previous quarter. They were at 141% of gross fees – up from 138% in the quarter to 31st October 2021.

NHS Practices – less enthusiasm?

Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, said, “I am pleased to see the practice sales market behaving in a resilient fashion and continuing its upturn as we hopefully leave the worst of the pandemic behind. In the many conversations that I have with professional advisors, banks, agents and so on, it is becoming clear - at least anecdotally - that there is less enthusiasm for NHS practices at this time. Whilst the reason for this is uncertain, my view is that it arises as a consequence of a combination of factors - uncertainty about the financial basis of NHS contracts post 31 March 2022, particularly as the current 85% threshold is proving impossible for many practices to achieve, the drift of NHS patients into the private sector during the pandemic, and increasing recruitment problems made worse by reducing enthusiasm for associates to carry out NHS work.

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 January 2022.

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