

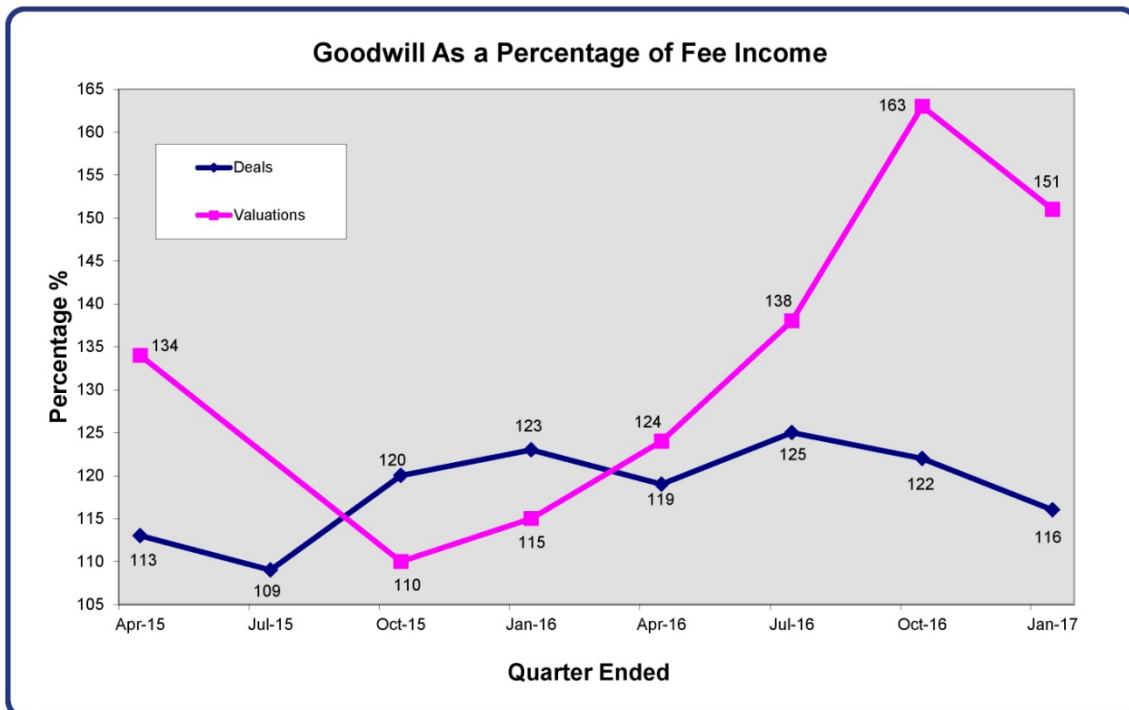


For release: Friday 28th April 2017

Practice Goodwill values – uncertainty on the horizon?

This week saw the results of the latest UK-wide NASDAL (The National Association of Specialist Dental Accountants and Lawyers) goodwill survey announced and they seem to show a market that is a little less bullish and perhaps more uncertain than it has been in recent times.

NASDAL QUARTERLY GOODWILL SURVEYS



Alan Suggett, specialist dental accountant and partner in UNW LLP who compiles the goodwill survey, explained, "This quarter's figures show the average of goodwill as a percentage of fee income on those practices actually sold, continue to drop back and there is a great discrepancy between valuations and deals. I reported in the last survey that practice sales agents had told me that there was still huge appetite for practices and the withdrawal of {my}dentist would have little or no effect on the market.

"There seemed to be a general perception that the corporates, including {my}dentist, were buying up every practice across the country. Whilst this wasn't true and {my}dentist was only responsible for a small percentage of sales, it does seem that their withdrawal may have led to a more general loss of confidence. With a time lag between valuations and deals done, it will be interesting to see if the quarters to come will reflect the optimism of these high valuations when it comes to actually signing on the dotted line."

Cliff Fleming, partner at Condie & Co Chartered Accountants based in Fife said, "In Scotland we are seeing valuations and deals done at a level probably around 10-15% lower than the UK as a whole. However, the market is still buoyant and with banks still happy to lend."

NHS and Mixed practices continue to attract a significant premium. In the quarter to 31st January 2017, Mixed practices sold at an average of 126% of goodwill as a percentage of fee income, with NHS attracting an even higher rate of 156%. Private practices have been holding steady and now attract an average 101% of goodwill as a percentage of fee income.

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 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