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NASDAL Benchmarking Statistics – Private practice profits leave NHS behind

Average profits in the UK's private dental practices are beginning to leave those of NHS practices behind. That's according to the latest annual benchmarking statistics from NASDAL – the National Association of Specialist Dental Accountants and Lawyers. 2015 saw the gap between the two widen considerably – an average private practice making a profit of £140,129 per principal, compared to an average NHS practice profit of £129,265. Indeed, private practices have seen an increase in fee income of over 8% compared to 2014. Comparatively, NHS practices have been relatively static.

Ian Simpson, Chartered Accountant and a partner in Humphrey and Co, which carries out the statistical exercise said, "All types of practice have seen a sustained recovery in profitability. The typical private practice profit exceeds typical NHS practice profit by approximately £10,000 and this is likely to be due to private practices having greater control over their income than NHS practices. Costs seem to be static across all practices."

Associates' profits have been flat-lining for over a decade now. Average profit in 2015 (£68,024) was almost identical to that of 2014 (£68,544) – only a slight decrease (approximately £500), likely to be due to increases in insurance and subscriptions costs.

The annual Benchmarking Survey statistics are gathered from the accountant members of NASDAL across the UK who together act for more than a quarter of self-employed dentists. The statistics provide average 'state-of-the-nation' figures so NASDAL accountants can benchmark their clients' earnings and expenditure and help them run their practices more profitably. The basis of the survey figures is 2015 tax returns and accounts with year ends up to 5 April 2015.

Nick Ledingham, of Morris & Co, Specialist Dental Accountants and Chairman of NASDAL observed, "It is positive to see that the UK dental market has continued to grow at a rate of around 4.4% with relatively unchanged costs and a prolonged recovery in profitability."

Also provided at the press conference where the benchmarking results were announced were the quarterly NASDAL goodwill survey from Alan Suggett, specialist dental accountant and partner in UNW LLP, and an update on legal issues including the uncertainty in NHS dentistry and the elongation of the practice sales process by Chairman of the NASDAL Lawyers' Group, Andrew Lockhart-Mirams.

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.

The NASDAL benchmarking statistics are published annually in March and reflect the finances of dental practices and dentists for the most recent tax year. The NASDAL figures provide a detailed picture of dental practice finances, sourced directly from dentists working privately and in the NHS. The figures published by the Public Health England's Information Centre later in the year reflect the income of NHS dentists only. NASDAL's designation of practices as either private or NHS reflects that 80% of business income comes from that source. The sample size is 650 principals and limited companies, and 600 associates.

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