

Dental Sector Update

Alan Suggett; Specialist Dental Accountant





ALAN SUGGETT

- BSc (Hons) Statistics/Chartered accountant
- Recently retired UNW LLP Dental Business Unit Partner and Chair NASDAL Technical Committee
- Managing Director Agata Consulting Ltd

NASDAL

- Dental accountant and lawyer knowledge sharing association
- Members act for approx. 28% of self employed dentists
- Prepares annual dental practice Profit & Loss survey (member firm Humphrey & Co)

June 2022 informal survey of key NASDAL accountants

Key thoughts:

1. Many clients are talking about leaving the NHS.
2. There is typically a fear of “taking the jump”, made worse by the looming “cost of living crisis”.
3. The COVID treatment backlog and high 2021 NHS profit level helps those who convert.
4. Associate enthusiasm for carrying out NHS work has reduced – this increases recruitment problems.
5. Independent buyers are showing a preference for private mixed practices.
6. High UDA rate practices will not ditch their contracts.
7. Overall most NASDAL accountants think that even if the 2006 contract continues, so will a significant amount of NHS practices.



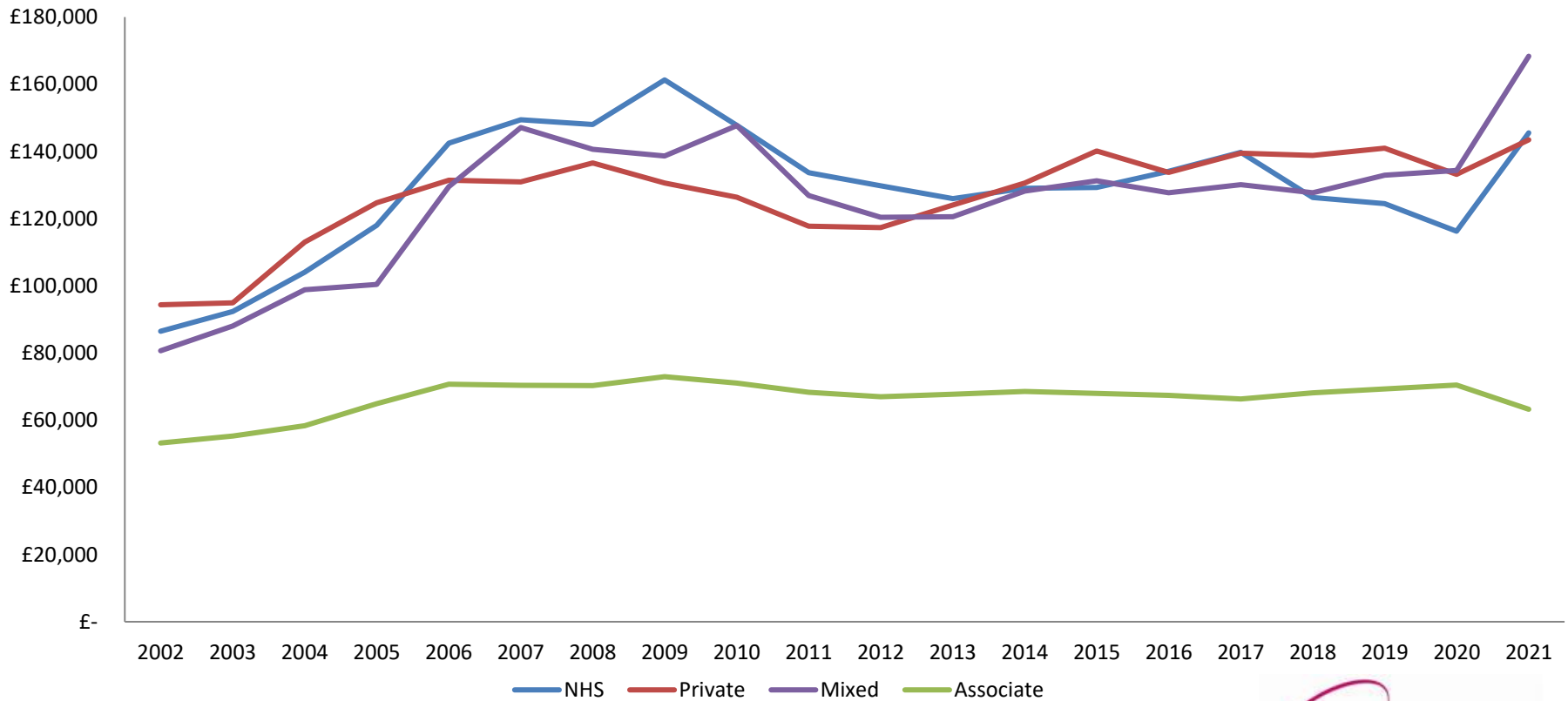
Key factors influencing financial viability of NHS contracts and Private conversions

1. UDA rate (GDS contracts)
2. Geography
3. Recruitment
4. Local NHS commissioning strategy
5. Principal's attitude to risk
6. Dental team clinical and entrepreneurial skills
7. Financial reserves



NASDAL 2022 P&L Survey

History of profits



Average net profits per principal (£) (Based on annual NASDAL surveys)

ACTUAL				RPI %	ADJUSTED FOR INFLATION						Average wages Inflation adjusted	
Year*	NHS	Private	Associate		NHS		Private		Associate			
2006	142,436	131,440	70,695	100.00%	142,436	100%	131,440	100%	70,695	100%	23,367	
2007	149,455	130,932	70,396	96.90%	144,822	102%	126,873	97%	68,214	96%	22,643	97%
2009	161,305	130,621	72,988	89.34%	144,110	101%	116,697	89%	65,207	92%	22,412	96%
2019	124,475	140,951	69,324	68.13%	84,805	60%	96,030	73%	47,230	67%	20,697	89%
2020	116,284	133,192	70,514	66.40%	77,213	54%	88,439	67%	46,821	66%	20,907	89%
2021	145,498	143,418	63,304									
2022												

Note
Year* Typically practices have a financial year end of 31 March in the designated year



Thank you & Questions?

alansuggett@unw.co.uk

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