

Private Sector Commitment Overtakes NHS

Gross earnings from private work overtook NHS earnings when combined in a sample of representative dental practices selected for the annual benchmarking statistics by the National Association of Specialist Dental Accountants. The figures for the year ending March 2006 have been compiled from the annual tax returns of NASDA members submitted at the end of January this year.

Average earnings from private work were 52 per cent in the tax year ending March 2006 compared to 45 per cent the year before. The percentage overheads for the average practice were 63.1 per cent. Overall, dentists earned more than in previous years with the net profit for the average dental practice being £133,661 compared to £111, 844 in the year ending 2005.

Nick Ledingham media spokesman for NASDA said: "This was a year of turmoil during which dentists were consolidating their earnings as well as preparing for a future of uncertainty. These are the last set of statistics taken from the old General Dental Service fee per item system of paying dentists. As such, the statistics may have been distorted by the considerable work dedicated to finishing treatments begun prior to April 1st 2006. In previous years, no artificial deadline for finishing treatments would have existed."

"There were other factors at work too, not least the growing demand for cosmetic treatments. NASDA clients are often dentists who are building their practice and this may also be reflected in what we regard as typical. But perhaps the greatest distortion comes from the impact of the early PDS contracts. Because Primary Care Trusts were under political pressure from the Department of Health to get practices signed up to PDS, some practices were overnight increasing their profits by 50 per cent. Meanwhile those who entered later, fared worse."

Nick stressed that these figures may not be representative of a region or any individual practice but are intended to build a general picture. "We pool together the figures from a random sample of the total number of client practices and then use the statistics to highlight trends and to help our clients assess their business model."

Other aspects of practice income are also taken into consideration, such as associate earnings. In the year up until March 2006 associates profits continued to increase. Last year the average profit for an associate was just over £70,000 compared to £65,000 in the previous year. Practices with associates have higher profits generally.

The statistics are compiled by a team of chartered accountants from Humphrey and Co. The firm belongs to NASDA and is one of the largest accountancy firms working in the dental field.

Between them, the 32 chartered accountancy firms which constitute NASDA represent approximately twenty per cent of the dental profession. Four law firms also belong to the association.

For further information on the statistics, please contact: Bob Cummings or Bob McTear on 01323 730631 or for general information call Media Spokesman Nick Ledingham on 01244 328301 or to commission articles, call Caroline Holland on 020 8670 8120