

BUSINESS

The benefits of using a specialist accountant

If you're thinking of setting up or buying a dental practice, retaining the services of an accountant is vital. **Simon Freeman** tells us about the importance of using a dental specialist

If you asked your accountant what the current market rate per unit of dental activity (UDA) for associates was in your area, would they know the answer? Would they know how to check your NHS pension contributions and fill out an SD86c superannuation contribution certificate? Would they even know what you were asking for?

There is a huge difference between a general trading business and a dental practice. When buying an existing practice or setting up a squat, having the right team of professionals behind you to help assess the viability, affordability and pricing of the acquisition is essential. Although some accountants have dental clients, how specialised is their knowledge and how would they fare if you asked their advice on profession-specific issues?

Specialist knowledge

For example, if you are considering purchasing an NHS practice, the implications of incorrectly structuring the NHS goodwill acquisition can be huge; with funding, superannuation and primary care trust (PCT) implications



(to name but a few). A specialist accountant can advise you on these NHS goodwill implications as well as provide you with an accurate and realistic market value of the practice based on previous years' accounts, goodwill (both NHS and private), earnings before interest, taxes, depreciation, and amortisation (EBITDA), equipment and fixtures and fittings.

All the elements of a purchase transaction, including arranging finance, will move quickly and efficiently with the support of dental specialists as advisers, who are able to provide detailed planning and reports such as business plans, cashflows and serviceability assessments. A specialist accountant can also help you get your accounts in order if you are considering incorporating as a limited company, often providing separate accounts as a sole trader or partnership for NHS treatments and as a limited company for private treatments, and explaining and discussing the advantages and disadvantages of incorporating.

Detailed statistics

At Snowbird we always recommend our clients to use the National Association of Specialist Dental Accountants and Lawyers (NASDAL) listed, or highly experienced dental accountants and solicitors, especially when buying a dental practice. As well as having the detailed knowledge you would expect, NASDAL members gather anonymous statistics from their clients about their practices; this data, prepared by UNW Accountants, provides information on the latest values of goodwill for both NHS and mixed practices, whilst Humphrey and Co Accountants provides benchmark statistics on the profit and loss accounts of dentists nationwide. This data is then shared between the members ensuring that advice given to their clients reflects the latest trends, costs and developments in the industry throughout the UK.

When looking to obtain finance to set up or buy a practice, Snowbird Finance has an extensive list of specialist and experienced accountants and lawyers who are experts in this field and that we are happy to recommend. We feel that it is always in the best interests of clients to use, not only a specialist funding provider to get the most favourable rates, but also the most highly adept professionals to ensure the best outcome for you, your future and your future practice. Now, do you trust your non-specialist accountant to do that? **DI**



Simon Freeman has had a career spanning over 25 years, exclusively focused on dental and medical equipment leasing and finance. He was previously a partner and director at Braemar Finance and sales manager at Herald Finance and Schroders, having started out in the back office at LMS. Simon founded Snowbird Finance in 2007.

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FOR MORE INFORMATION call Snowbird Finance on 01932 874674, email info@snowbirdfinance.co.uk or visit www.snowbirdfinance.co.uk. To continue Snowbird's recent growth and continued excellence in providing bespoke funding packages and practice finance to healthcare professionals around the UK, it is delighted to announce that Bill Carr will be joining Snowbird Finance on 8 December 2014 as business development manager. Bill Carr started his career at the renowned Natwest St James' Dental Unit in 1990, where he was one of the founding members of the Association of Service Providers for Dentists and Trustee of Eastman Foundation for Oral Research and Training. Bill has helped numerous clients in dentistry with financing for squats, practice purchases and repurchasing agreements.