

FINANCIAL PROBE

Small drop in NHS practice profits

THE changing nature of dental practice in England and Wales is reflected in the annual benchmarking exercise carried out by the National Association of Specialist Dental Accountants, NASDA. The figures collected by NASDA accountants from annual tax returns relating to 2007/08 – which had to be submitted by



Nick Ledingham (left) chairman of NASDA with Bob Cummings, NASDA tax specialist and Ian Simpson from Humphrey and co.

January 31st 2009 – indicate that the practice is getting bigger and either employing more staff or generating more income through increased surgery time.

The 07/08 benchmarking statistics represent the end of the 2nd year of the NHS dental contract. Last year's figures included information relating to the pre-contract era making the latest figures the first which are fully representative of the 2006 contract. They show a small fall in profit for NHS practices, from £149k to £148k but an increase in annual profits in the private sector, from £131 to £137k.

Costs have gone up however, and on average a private practice is now spending £250,000 on

materials, laboratory bills, wages, direct costs, and overheads while NHS practices spend around £220,000, equivalent to 59 per cent and 65 per cent of practice fee income, respectively. Once again, the NASDA statistics show a considerable variation in the rate of Unit of Dental Activity with £24.38 being the average for practices and £16.20 the lowest. The average UDA rate for associates is £21.58.

NASDA is a grouping of 36 accountants represent one fifth of dentists working in practice. Every year they produce a set of statistics based on a representative sample of 1,000 of their clients as well as detailed bench-marking information. ■

Bright lights NEWS IN BRIEF for Hospital

ACTULITE polarised daylight lighting has been specified to provide a high quality lighting scheme in the new post-mortem and mortuary facilities at Milton Keynes Hospital (see image).

Built as an extension to the hospital, the new unit required a lighting system that met health building standards whilst also improving the visual perception in surgery conditions.

Commenting on the new facilities, project manager Tracy Flynn said, "Actulite polarised daylight lighting was specified on staff request after clear benefits were observed following the previous installation of Actulite lighting in a patient ward and the hospital corridors. The Actulite luminaires exceed health building standards whilst also creating a stress-free environment through the replication of natural daylight, making them ideal for hospital applications."

The polarised daylight lighting creates a source of light virtually identical to natural daylight by using a multi-layered light polarising panel, high frequency control gear and specifically manufactured triphosphor full spectrum fluorescent tubes.

This creates natural, low glare lighting with minimal shadowing and excellent colour rendering, eliminating the harsh 'yellow' light associated with traditional fluorescent lighting.

The polarised daylight system increases light contrast by eight per cent resulting in a 120 per cent increase in visual acuity, making it an ideal choice for hospital and surgery lighting systems. ■



WEB WARNING: Dental marketing specialists Blue Horizons are warning dentists to be careful when choosing a company to help their website appear high up on search engine listings. While there are many companies who employ very effective techniques to obtain high rankings on search engine sites such as Google and Yahoo, there are others who either promise more than they can achieve, or who may use unethical techniques to achieve their goal. Blue Horizons director Hilary Ford said: "If your Search engine optimisation (SEO) company uses techniques that are frowned upon or barred by search engine companies such as Google, you run the risk of your website being penalised, leading to worse results".

PATIENTS ARE CRUCIAL:

A new report, Fixing Healthcare, written by the Economist Intelligence Unit and commissioned by Philips, has revealed that healthcare professionals believe that patients will play a key role in making healthcare systems sustainable. More than 80 per cent of healthcare professionals polled, say that patient-centred care will be important or even critical in containing the cost of healthcare and improving standards of care in the future. The research is based on a survey of more than 700 healthcare professionals, from frontline medical staff to life science industry executives, in four key economies – the US, UK, Germany and India.

BREAST CANCER SUPPORT:

PDT helped to support thousands of women in the UK at the BSDHT Annual Conference in Edinburgh by producing sets of instruments with pink handles, with proceeds from all sales going to Breast Cancer. The 'Together We Can' instrument sets were a massive success at the show, being sold by both Swallow Dental and CTS. ■

£2,000 raised for Comic Relief

DENPLAN is delighted to announce that it has raised well over £2,000 for Comic Relief, through fun fundraising activities on Red Nose Day. Levels of hilarity rose on Friday March 13 as Denplan troops made their way into work in their pyjamas, painted red and armed with box-loads of homemade cakes for sale. The Denplan raffle featured prizes ranging from books and booze, to spa treatments and weekend breaks, thanks to the incredible generosity from companies in Winchester and the surrounding area.

There was even an employee

celebrity-look-alike competition where staff competed for the honour of looking like someone else the most! Winner of the competition was Dan Merrick for his rendition of James Blunt. There was also a 'guess the celebrity' game where employees chose a picture of a celebrity in order to match it with the secret celebrity picture to win a prize.

Steve Gates, Denplan's managing director commented: "Red Nose Day this year really was fantastic fun here at Denplan and everyone was extraordinarily generous. I would like to say a huge thank you

to everyone that took part and to all the local business that gave so generously towards the raffle prizes. This is an incredibly worthy cause and we are already looking forward to the next event!" ■



The Denplan team obviously didn't feel like getting out of bed on Red Nose Day!

Red dot awarded for exceptional design

PLANMECA'S dental unit Planmeca Sovereign and X-ray unit Planmeca ProOne succeeded in one of the most renowned international design competitions worldwide.

In the red dot design competition Planmeca Sovereign and Planmeca ProOne were awarded the "red dot" quality seal for high product design quality. The red dot award is the third design award presented to Planmeca Sovereign, and the fourth award for Planmeca ProOne.

The uniqueness of Planmeca Sovereign lies in its motorised

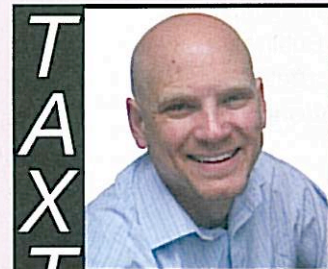
operations, which enable full conversion from right-handed to left-handed use. The graphical user interface guides the user with intuitive symbols during the operation, and each user may define the settings according to the requirements of the treatment and individual preferences.

According to Kari Malmén, Planmeca's industrial design manager, Planmeca Sovereign is the true reflection of Planmeca's product development: "The user-oriented product development and

design combined with the latest technology are behind the success of our products."

Planmeca ProOne was designed simple and affordable yet technologically advanced; wide selection of exposure programs and parameters ensure that radiographic examinations of all kinds in the maxillofacial area are easy to perform.

"The goal for the design was to create a panoramic X-ray unit suitable for every dentist." added Malmén. ■



TAX TIPS
By Thomas Dickson, Essential Money
"Let's look at Individual Savings Accounts vs Pensions..."

ALTHOUGH most dentists accept they should save for retirement, it doesn't necessarily mean they should invest in a pension. NHS dentists are fortunate as they qualify for the NHS Pension Superannuation Scheme but for various reasons such as increasing private work, this doesn't always provide sufficient income at retirement. Stocks and Shares Individual Savings Accounts (ISAs) are often suggested as a useful alternative to pensions but do they offer the same tax advantages?

The big difference between pensions and ISAs is when you get your tax benefit. With a pension, your contributions are grossed up, so if you invest £80 a further £20 is claimed by the pension provider making the total £100 - and for a higher rate tax payer your tax bill is reduced by a further £20 making the net contribution only £60. When you draw your personal pension, although you get a tax free lump sum of 25 per cent you will get taxed on the rest of the income. With an ISA, you don't get tax relief on your

contributions (ie £100 invested is worth £100) but you can take the income tax free.

All things being equal, it can be argued that this amounts to the same thing. For example, look at the position for a higher rate taxpayer who earns £100 gross (that is, £60 after tax), saves it and gets seven per cent growth for three years before drawing income at a rate of five per cent. Each year's income will be the same, for the ISA and the pension:

ISA: 60 per cent x £100 x 1.07 x 1.07 x 1.07 x 0.05 = £3.68

Pension: £100 x 1.07 x 1.07 x 1.07 x 0.05 x 60 per cent = £3.68

This position though is confused by a number of factors. First of all, you're able to take part of your pension pot (usually up to 25 per cent) as a tax-free lump sum.

Secondly, the above example assumes you will pay the same rate of tax in retirement as you do during your working life. Most people's retirement income is lower than their earnings,

which may mean they are taxed at a lower rate. For example, someone currently earning around £70,000 a year could get 40 per cent tax relief on their pension contributions but only pay basic rate tax of 20 per cent once they've retired. So, if you are a higher rate taxpayer now but expect to be a basic rate taxpayer in retirement and/or you intend to take the maximum tax-free lump sum, the pension route has a significant tax advantage.

Other non tax factors you need to consider are contribution limits which are higher for pensions than for ISAs, charging structures and the flexibility of when you can draw out the money. ■

● The figures are for guidance only and reflect the position at the time of writing. The value of investments can go down in value as well as up. It is important that you understand the risks and commitments. Essential Money Ltd is authorised and regulated by the Financial Services Authority. Thomas Dickson is a Certified Financial Planner and director of Essential Money, a firm of independent financial advisers who help dentists across the UK manage their money and achieve their financial and lifestyle goals.