- **Confidentiality.** Patient information sent by doctor A is available only to a recipient(s) specifically selected by that doctor. (Ideally, the patient should be consulted regarding that selection.)

Many southern African physicians use a well-tested and secure system to receive pathology and radiology reports. This tool's usefulness in the rollout of HAART, as well as GP/specialist communication, demonstrates that it is ideally suited for transporting the CCR document between South African practitioners.

We believe that, in the future, primary care physicians will review and update the CCR as a fundamental component of a 21st century annual health check-up. The CCR will also provide the first practical step along the steep road to the long-cherished ideal of a universal electronic medical record for all South Africans.

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MANAGEMENT OF PROFITABILITY

This section explains how to calculate profits, and how to manage profitability in order to improve your margins.

All businesses need to make profits in order to survive. Profits are made when a business sells goods or services for more than the cost of such goods or services. The only way to survive without making profits is to continuously obtain more funds from either its owners or outside lenders. Such an approach is unsustainable in the long run and will lead to the demise of the business.

Profits represent the growth (or shrinkage) of a company as a result of its trading activities over any chosen period of time. We can also say that profit equals revenues less expenses.

A profit results in an increase in the net worth of the business over the period of time. Revenues or sales, as a result of trading, will cause the net asset value of the business to increase. Expenses cause the net asset value of a business to go down. Simply stated: A successful business will attempt to maximise its revenues and minimise its expenses in order to earn maximum profits.

There are three types of management accounts that are usually drawn up at the end of each month or accounting period that enable managers to gain insight into the businesses they run. These include:

- balance sheet – illustrates the sources and applications of capital at a certain date
- income statement – determines how much profit was made
- cash flow statement – explains the cash position of the business.

The balance sheet of a business shows details of the sources of capital and applications of the capital at a specific date. Examples are provided in the course of balance sheets which show the source of money and how it was applied. Examples show a business having assets of R650 000 financed by share capital, accumulated profits, shareholders' funds, long-term loans and current liabilities. The changes when the organisation buys and sells stock are shown, but the important point is that the assets must balance against the liabilities and share capital.

Note: The routine business dealings of small businesses are called transactions. Examples of profit and loss transactions are:

- selling goods to a customer (= profit)
- buying stationery (= loss)
- paying interest to the bank (= loss).

Many transactions in a business are self balancing, producing no change in the net asset value of the business, earning neither a profit nor a loss for the business, and are therefore not included in the profit and loss account. Only transactions that result in a profit or loss for the practice are included in the profit and loss account.

Examples of self balancing (no profit, no loss) transactions are:

- being paid by customers (cash up, accounts receivable down)
- taking a loan (cash up, liabilities up)
- receive payment for the sale of a motor vehicle (cash up, vehicle values down).

In double entry bookkeeping, the money values of all transactions with suppliers of goods on credit (the creditors) and the sales to credit customers (the debtors) are recorded, and the details of all money received and money paid, whether by cheque or in cash, are also recorded in a manner which, with practice, becomes routine and easy to comprehend.

Profits are only made when something is sold, and is therefore related to sales. Profits are usually measured in terms of time, i.e. per week, per month or annual profits. To measure profit, the money earned from sales is compared with the costs associated with those sales. In other words, profits are equal to the sales minus the cost of sales.

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