

Income Tax*Professional Account: Balance Sheet*

"B" explains that the whole of his professional receipts is paid into his bank, and cash is drawn to meet private and professional expenses. The latter are recorded in detail; and a chartered accountant prepares the annual statement of account from the bank pass-books and practice records. It is understood that a certified copy of this account is supplied to the inspector of taxes, but this official now requests to have a copy of a "balance sheet" also. Can this be required?

** The strict legal position is that the inspector of taxes as such has no authority to require even an account of the receipts and expenses. He can, however, lodge an objection to the return, and the General Commissioners, by whom such an objection would be dealt with, have the right—and would presumably exercise it—of calling for such particulars as they may consider relevant. In general, the inspector of taxes requests to be supplied with such statements, etc., as he may consider the Commissioners would expect to be furnished, and in the case of businesses where substantial assets are involved, or where the nature of the receipts and expenses is such as to provide a wide margin for error and consequently require an additional check, balance sheets are usually called for and supplied. The balance sheet is, in fact, a normal part of the accounts which an accountant would regard as necessary for the information of a trader client. In the case of a professional practice, however, neither of the two conditions referred to above obtains, and, so far as our experience goes, a request that a medical practitioner shall supply a balance sheet setting out the assets and liabilities of his practice is very rare. Further, the balance sheet would be useless as any check upon the accuracy of the "cash" account, because it would have to include outstanding debts and changes which are not directly reflected in a single year's account prepared on the usual cash basis. That basis is possibly incorrect from the point of view of strict legality, but, unless the income is increasing or decreasing materially, or unless the practice is a "new" one—for example, in the years immediately following a change in proprietorship—it is almost always applied as a matter of concession in view of its obvious and great convenience. We therefore suggest that our correspondent should inform the inspector of taxes that as his request for a "balance sheet" is unusual in the case of a medical practice he does not see his way to incur the expense and trouble of having one prepared unless it can be explained to him why the case of his practice should receive exceptional treatment.

Appointment: Motor Expenses

"M.D.LOND." holds an appointment as M.O.H., and last year received £65 "towards his travelling expenses." In July, 1930, he sold his car for £50 and bought a superior car for £299. He is paying for the latter in instalments.

** The cost of replacement is the amount which the replaced car cost him less £50. The excess of his expenditure over that sum represents improvement, and is therefore regarded as capital outlay. If the car is used for private as well as for professional purposes only a fraction of the replacement cost will be allowable, calculated according to the ratio of private to professional use. It is also possible that he will be required to satisfy the authorities that the allowance of £65 does not cover more than the running cost as a preliminary to receiving an allowance in respect of replacement.

Repairs to Premises

"C. R. H." inquires as to the admissibility of expenditure on repairs to the professional part of the premises. His accountant has pointed out that such expenses are already allowed for under Schedule A, in that tax is paid under that schedule on a net and not on a gross valuation.

** It has to be remembered that in deducting a fraction of the Schedule A assessment as a quasi-rent paid for the professional portion of the premises it is the net value which is taken as a basis. Consequently in effect the practitioner simply pays on his profit, mainly under Schedule D, and to a small extent under Schedule A, and if no specific deduction is made for repairs none is received. But in any case the point is covered by Rules 3 (c) and (d) of

Cases I and II, Schedule D. Rule 3 (c) provides for the deduction of the annual value or the part thereof used for purposes of the profession, and Rule 3 (d) for the deduction of sums expended for repairs of premises occupied for the purpose of the profession.

LETTERS, NOTES, ETC.**The Post-Influenzal Cough**

Dr. G. A. GAREY SIMPSON (Lancaster Gate, W.) writes: I agree with Dr. W. A. Marris that the post-influenzal cough is due to a pharyngitis. I have invariably noticed that influenza, especially in the last epidemic, starts with a slight sore throat. I find collosol argenteum, used undiluted with an all-glass atomizer, acts like a charm. The following will also stop the cough, especially if granules can be seen on the posterior wall of the oropharynx: Tr. krameriae, tr. myrrh, tr. cinchon., tr. kino, half an ounce of each. Dose: one teaspoonful to an ounce of water; use as a spray or gargle.

Metal Water-taps and Fittings

Dr. E. W. MATTHEWS (Medical Officer of Health, Kingston-upon-Thames) writes: With regard to the question raised by "Nest" (May 2nd, p. 779), I may say that chromium-plated water-taps were installed at my clinic about two years ago. The great difficulty is to prevent cleaners from using any form of metal polish, the result being that all the chromium was worn off within eighteen months. In a new clinic I have just opened I have solid stainless steel water-taps and fittings fixed, obtained from Adamsez, Ltd., 23, Old Queen Street, Westminster, S.W.1. They are very pleasing in appearance, and only need cleaning with a leather, and, I am informed, are not injured in any way by the use of metal polishes. Needless to say, they are rather more expensive, but I feel they are worth it.

Shantung School of Medicine

The Shantung Christian University School of Medicine was established in 1909 by the English Baptist Mission and the American Presbyterian Mission jointly, assistance being afforded by the China Medical Board of the Rockefeller Foundation. Despite national disturbances and interruptions of the work from time to time, progress has been continuous, and in the report for 1930 a favourable forecast of future developments is made. Beyond the routine education a certain amount of research is undertaken, and the department of pathology has been able to assist during the year twenty-three mission hospitals in seven different provinces. The teaching staff has more than doubled since 1918, and there is a gratifying increase in the number of students.

Medical Golf

There were close on 150 competitors for the Manchester and District Medical Golfers' Association's annual competition, which was held on May 6th at Wilmslow. The Challenge Cup, which was competed for by medal play over eighteen holes, resulted in a tie at 72 between Dr. J. Scott (Bolton), who was in receipt of 14 strokes, and Dr. C. E. Sykes (Withington), who had 18 strokes allowance. On the replay over nine holes, Dr. Scott was successful, with a net score of 37 against 42. Dr. Sykes won the captain's prize. There was also a tie for the Walter Gold Medal between Dr. J. N. Norman (7) (Pendleton) and Dr. J. L. Bradley (4) (Swinton), who each returned a gross score of 80. Dr. B. Robinson (Bowdon) won the Walter Silver Medal, which is awarded for the best gross score from a handicap of 10 or over.

Corrigendum

We are asked to say that by inadvertence the advertisement of the King Edward Memorial Hospital, Ealing, published last week, was incorrectly worded. The first vacancy announced should have been for an honorary assistant consulting *physician*, and not honorary assistant consulting surgeon as printed.

Vacancies

Notifications of offices vacant in universities, medical colleges, and of vacant resident and other appointments at hospitals, will be found at pages 51, 52, 53, 54, 55, 56, 57, and 60 of our advertisement columns, and advertisements as to partnerships, assistantships, and locum tenencies at pages 58 and 59.

A short summary of vacant posts notified in the advertisement columns appears in the *Supplement* at page 195.