

CMNet Finance Report for the year ended 31st August 2019

The statement on the next page reflects the performance of CMNet for 2019 only. Thanks to Georgie's bookkeeping we were able to achieve a surplus for contingencies of £911 very close to our target of ~ £1,000.

It is a time consuming task to produce the full accounts which will include the previous year's assets, depreciation, liabilities and calculate the amount of corporation tax due. Production of the full accounts will therefore be scheduled in time to complete the Companies House and HMRC returns in May. When complete the revised accounts will be issued as they have been in previous years. However we know that an estimate of monies released from the CBS deferred income pool will be £2,348.81 and the depreciation charge for the year will be £2,639.26.

This allows us to produce the following estimated figures:-

Income from subscriptions and grant monies	- £6,013.63
Expenditure + depreciation	- £5,392.65
Revised surplus	- £620.98
Therefore our corporation tax bill will be approximately £118	

We were able to credit all subscribers' accounts by £60 this year primarily due to two events. Firstly we budgeted to increase our backhaul capacity by installing an additional line but in the event this was not required. Secondly we experienced considerable growth in the volume of GB sold, no doubt partly due to this year's tariff reduction. This resulted in a reduction of our unit costs which prompted an emergency tariff reduction in April when the variable portion of the rate was changed from £1 per 20 GB to £1 per 50 GB.

Provision to replace equipment - CMNet has been operational for five years and back in September 2014 we had purchased £3,647.00 of electronic equipment. Therefore, in the worst case based on five year straight depreciation, we should be prepared to spend this amount replacing equipment in the coming year. However, so far, the equipment has shown it has a working life in excess of five years so we may revise this estimate in subsequent years.

Cash in hand:-

End of the year bank balance	- £9,901.59
Estimated liabilities	- £2,824.48
Leaving	- £7,077.11
Provision to replace electronic equipment	- £3,647.00
Leaving	- £3,430.11

Next year we anticipate a significant increase in the number of subscribers and we will need to add at least one line. As it is likely we will have to pay for the additional line before we can bring additional subscribers online it was decided there will be no change in the tariff which remains:-

£5 "standing charge" plus £1.00 per 50 GB per subscriber per month
E.g. 50 GB costs £6.00 per month, 100 GB costs £7.00 etc and 1,000 GB costs £25.00

Phil

Financial summary for the period 1/9/18 to 31/8/19

Brought forward

Balance		£0.00		
Creditors			£7.00	
Debtors			£98.00	
Net				-£91.00
Bank balance				£6,074.68

This year

Income	£3,664.82			
Expenditure	£2,753.39			
P&L		£911.43		
Creditors			£2,915.48	
Debtors			£0.00	
Net				£2,915.48
Adjusted P&L				£3,826.91

Carried forward

Balance		£911.43		
Creditors			£2,922.48	
Debtors			£98.00	
Net				£2,824.48
Bank balance				£9,901.59