

CMNet Finance Report for the year ended 31st August 2022

The statement below shows a profit of £330.38 and reflects the performance of CMNet for the year ending August 31st 2022 only. I.e. it does not include income from grants or depreciation of equipment etc.

Financial summary for the period 1/9/21 to 31/8/22

Balance		£0.00		
Creditors			9,699.44	
Debtors			5,118.83	
Net				£4,580.61
Bank balance				£11,773.36
Income	£5,903.46			
Expenditure	£5,573.08			
P&L		£330.38		
Creditors			£3,404.33	
Debtors			£2,920.67	
Net				£483.66
Adjusted P&L				£814.04
Balance		£330.38		
Creditors			£13,103.77	
Debtors			£8,039.50	
Net				£5,064.27
Bank balance				£12,587.40

It is a time consuming task to produce the full accounts which will include the previous year's assets, depreciation, liabilities and then to calculate the amount of corporation tax due. As usual production of the full accounts will therefore be scheduled in time to complete the Companies House and HMRC returns. 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 ~£1,100 and the depreciation charge for the year will be ~£2,000 thus reducing our profits by £900 making a loss of ~£570 for the year. Our submission to HMRC will be altered further as we have also taken advantage of the government's tax incentives to purchases equipment for upgrades.

N.B. all the figures above are subject to change when the Companies House & HMRC calculations are performed.

Mary and Kath have had a long battle with RBS to get Mary online banking access.

This year we were on target to make a healthy surplus and it was therefore decided to reduce the new joiner's premium to £30. All subscribers that had paid in excess of this amount had their accounts credited with the surplus. We spent approximately £2,700 on new electronic kit.

Provision to replace equipment - so far we have not experienced any problems with the new "Gen 2" equipment bought last year and we will therefore budget to use this "cheap" range for the majority of applications.

End of the year bank balance	- £12,587
NJP refund	- £1,295
Leaving	- £11,292
Equipment purchase	- £2,732
Leaving	- £8,560

Sample figures for the provision to replace electronic equipment over different life spans all based on the original purchase price and assuming that new purchases are now replacements rather than additions to the network:-

5 year life	- £7,243
6 year life	- £5,799
7 year life	- £5,541

I.e. we have enough cash in hand to cover current foreseen expenditure even if we take the worst case that equipment will need to be replaced after five years. We will maintain a bank balance to cover costs of replacement equipment. Rather than replacing equipment due to end of life failures we are replacing units to benefit from improvements in the technology. Wherever it is possible “old” equipment will be re-used.

This year we installed equipment for seven new subscribers but lost four who live close to an Openreach cabinet giving a net gain of three.

The additional usage this year has allowed us to revise the tariff, from September 2022 this was altered to:-

£5 “standing charge” plus £1.00 per 150 GB per subscriber per month
 E.g. 150 GB costs £6.00 per month, 300 GB costs £7.00 etc and 1,500 GB costs £15.00

The standing charge of £5 per installation was not altered due to the likely rise in electricity costs.

The average number of GB per subscriber is 346, which would require a quota of 450 GB (multiple of 150); at the revised tariff this would cost £8 per month.

Currently BT users who do not use their landline for broadband are due a line rental rebate. This means the average subscriber who switches from landline based broadband to CMNet gets their broadband at no additional cost.

BT have changed their marketing; they now quote broadband prices excluding a telephone for £29 a month (although still dependant on the old copper technology) charging £34 a month - an additional £5 for a “telephone line”. This is no doubt preparation for the switch to fibre to the premises and all calls being through the internet.

A subscription to CMNet of £29 a month would buy a monthly quota of 3,600 GB, over twice the amount used by our current highest subscribers.

Phil