

CMNet Finance Report for the year ended 31st August 2020

The statement below shows a surplus of £301.04 and reflects the performance of CMNet for the year ending August 31st 2020 only. It does not include income from grants or depreciation of equipment.

Financial summary for the period 1/9/19 to 31/8/20

Brought forward			
Balance	£0.00		
Creditors		2,797.35	
Debtors		6.00	
Net			£2,791.35
Bank balance			£9,901.59
This year			
Income	£4,967.39		
Expenditure	£4,666.35		
P&L		£301.04	
Creditors		£2,486.98	
Debtors		£3,149.66	
Net			-£662.68
Adjusted P&L			-£361.64
Carried forward			
Balance		£301.04	
Creditors		£5,284.33	
Debtors		£3,155.66	
Net			£2,128.67
Bank balance			£9,539.95

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 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 £1,405.01 and the depreciation charge for the year will be £1,578.66

This allows us to produce the following estimated figures:-

Income from subscriptions	- £4,967.39
Income from grant monies	- £1,405.01
Total Income	- £6,372.40
Expenditure	- £4,666.35
Depreciation	- £1,578.66
Total Outgoings	- £6,245.01
Revised surplus	- £127.39

Therefore our corporation tax bill will be approximately £25

For the first time in CMNet's history we have had to write off bad debts which totalled £245.58.

This year saw a considerable investment in infrastructure totalling just over £2,400. The largest portion of this expenditure went on the completion of the new relays on Creag Mhaol. This expenditure meant there was no surplus to allow a refund of the new joiner's premium this year.

Provision to replace equipment - In 2014 we purchased £3,647 of electronic equipment by 2015 this had risen to £8,950.00. Therefore, based on five year straight depreciation, we should be prepared to spend £8,950.00 replacing equipment in the coming year. However, so far, the equipment has shown it has a working life in excess of five years. For our financial statements we will continue to depreciate the electronic equipment over 5 years; however it is more realistic to estimate provisions for replacement costs on a six year basis. This will be reviewed again next year.

In the past year we have had to replace some metal enclosures in one case due to failure of the seal and in another corrosion of hinges. Each replacement enclosure costs ~ £100 and we will budget to replace the old steel enclosures after 5 years service.

End of the year bank balance	- £9,539.95
Estimated liabilities	- £2,128.67
Leaving	- £7,411.28
Provision to replace electronic equipment	- £3,647.00
Provision to replace enclosures	- £400.00
Leaving	- £3,346.28

I.e. we have enough cash in hand to cover foreseen expenditure.

A year ago we had net assets of £7,270; by the end of August 2020 this had risen to approximately £7,571 (as in previous years this figure is liable to change after the final accounts have been reviewed and the deferred income pool has been calculated and apportioned).

Next year we anticipate a significant increase in the number of subscribers. As we currently have plenty of spare capacity we do not expect to have to add any more fibre lines. However this is dependent of the use profile of the new subscribers and so for the moment 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