

CMNet Finance Report for the year ended 31st August 2018

Please note all the figures below have been rounded and / or estimated where required. 2017 refers to the financial year ending August 2017, 2018 refers to the financial year ending August 2018

The attached statement on the next page reflects the performance of CMNet for 2018 only. It is a time consuming task to produce the full accounts which will include the previous year's assets, depreciation and liabilities. Production of the full accounts will 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.

At face value it appears that CMNet made a loss of £2,618 in 2018. However this figure is misleading as it does not take into account the following factors:-

Our liabilities at the end of the 2017 financial year were £4,439 by the end of 2018 CMNet was owed £1.50. I.e. we paid off £4,439 of previous year's debt in this financial year.

In 2018 we received £9,757 in grants from CBS of which about £5,000 was used to buy electronic equipment; the rest was spent on consumables. The attached figures show the full amount of the CBS grant as income in 2018 but the treatment of the grant is complex and is split into two parts. The portion spent on consumables will be treated as income in 2018 but the portion spent on electronic equipment will go into a "deferred income pool" and will be released into the accounts over the next five years.

As a "not for profit" company our goal is to keep our charges as low as possible whilst setting aside enough money to allow us to replace or upgrade equipment. In 2018 our income from subscribers was £5,064 and our running costs before tax £2,082 giving a "profit" of £2,982. Of this £1,411 was put aside to replace existing equipment leaving a surplus for the year of £1,571. The excess over our target surplus of £1,000 being largely due to subscriber's increasing their quotas during the year. Note these figures are for running costs only.

On the 31st August 2017 we had £8,692.81 in the bank and if CMNet had been wound up we would have been able to pay all our debts and still have approximately £4,254 left in the bank.

On the 31st August 2018 we had £6,074.68 in the bank and no debts.

We have taken a cautious approach to the year five tariff which has been calculated to produce a modest surplus of £1,000.

The year five tariff is:-

£5 "standing charge" plus £1.00 per 20 GB per subscriber per month
E.g. 20 GB costs £6.00 per month, 40 GB costs £7.00 etc and 100GB costs £10.00

Phil

Financial summary for the period 1/9/17 to 31/8/18

Brought forward

Balance		£0.00		
Creditors			£13.00	
Debtors			£3.00	
Net				£10.00
Bank balance				£8,692.81

This year

Income	£14,832.17			
Expenditure	£17,438.80			
P&L		-£2,606.63		
Creditors			£139.78	
Debtors			£151.28	
Net				-£11.50
Adjusted P&L				-£2,618.13

Carried forward

Balance		-£2,704.85		
Creditors			£152.78	
Debtors			£154.28	
Net				-£1.50
Bank balance				£6,074.68