

B4RN[®]

***Get Involved,
Get B4RN***

***Keeping Communities
Connected***

Introduction to B4RN

Our values

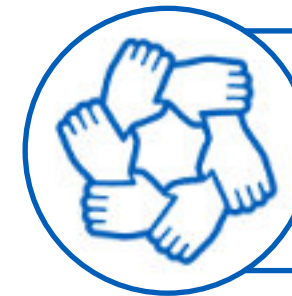
What is B4RN?

B4RN stands for "Broadband for the Rural North Ltd" and we are an Internet Service Provider (ISP) based in the Lune Valley, Lancashire, UK. We operate as a Community Benefit Society. B4RN was founded in 2011 to demonstrate that a community-based approach can deliver high-quality broadband services at affordable prices to everyone in rural areas. We provide gigabit broadband, digital telephony and support to rural homes and businesses throughout Lancashire, North Yorkshire, Cumbria, Northumberland and parts of Cheshire and Norfolk.

We have successfully provided a lifeline for communities longing for digital inclusion. We have forged solid local relationships along the way and with the support of many local volunteers, we have created a long-lasting web of connectivity across the countryside.

Our mission

"To deliver the best internet service in the country to the areas that are hardest to reach, working shoulder to shoulder with, and for, rural communities, to realise the enduring benefits of greater resilience and connectivity."



Community Project

We believe in the power of community-led initiatives to address the digital divide and improve access to high-speed internet in rural areas. We prioritise the needs of local residents and work collaboratively to build and maintain our broadband network.

Community Benefit

We are a registered Community Benefit Society, and we prioritise social impact over financial gain. Any operational surplus we make must be reinvested into our core activity or the communities we serve to ensure that all our communities benefit.

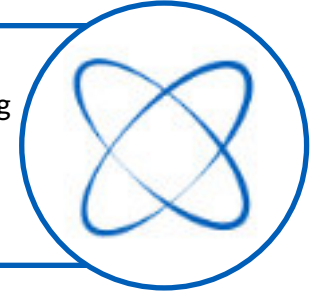


Inclusivity

We are committed to providing equal access to gigabit-capable broadband services, no matter how rural our customers may be. We work hard to bridge the digital divide and create opportunities for all members of rural communities to become part of our network.

Future Proofing

At B4RN, we recognise the importance of our operations not only in meeting the needs of today but also for future generations. We achieve this by minimising our environmental impact on rural areas through efficient construction methods and by providing resilient infrastructure designs.



Innovation

We work to embrace innovation and technological advancement to continuously improve our broadband network, products and services. We're always exploring new solutions and approaches to meet the needs of rural communities and ensure that they remain at the forefront of connectivity.

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What our volunteers say

Why we need your investment

You may have heard about Project Gigabit and wondered why we still need your support.

Project Gigabit provides valuable funding to facilitate the rollout of gigabit-capable broadband connections through the Gigabit Voucher Scheme (GBVS). It aims to provide financial assistance to residential and business properties to access faster and more reliable internet services. The amount we receive is contingent upon take-up, meaning that it depends on how many individuals in the community sign up and go live on our service.

What do the government voucher funds cover?

The vouchers cover a significant proportion of the infrastructure costs for our network. They are not designed to cover 100% of the cost of building the project. Not every property in the community is eligible for a voucher and it is important to note we don't receive government funds upfront; we receive these funds only after each connection is made.

Your support is vital to assist in the delivery of your project.

That's where the funding gap comes into play*.

Can you apply for additional funding to support projects?

The majority of the funding is from Project Gigabit, and there may be other local grants that we can apply for. Grants will not fully cover the whole gap between the voucher value and capital build cost required to deliver a project. Even though we're doing our best to fill in the funding gaps with local grant programs, it really depends on whether there are grants available in the project area and if the project fits the goals of the grant providers.

*You do not need to invest to have a B4RN connection.



**GINA, VOLUNTEER CHAMPION,
CAUTLEY**

"The original speeds that we had were very low, about one to two megabits per second, when B4RN came it was genuinely life-changing."

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Financial Projections

So, why do we turn to you, our community, for support?

Your investment helps us bridge the financial gap. Your investment acts as the foundation upon which our network is built. It enables us to lay the groundwork, connect your community, and deliver high-speed internet access. It also unlocks the future potential and government funding that we will ultimately receive at the end of the project.

Why can't you use existing customer income to pay for the build?

While our monthly income from customer connections is vital for sustaining our operations, it's not designed to cover the capital expenditure needed to build a new network. As the B4RN network grows, so do the operations and operational costs. A portion of B4RN's operating surplus is always earmarked for paying back investors.

How 5% interest looks year-on-year.

For an £8,000 investment, your interest is equivalent to the current annual service charge.

Capital Investment	£500	£1,500	£8,000	£100,000
Year 1 Interest	£25	£75	£400	£5,000 <small>*Automatically paid annually</small>
Year 2 capital	£525	£1,575	£8,400	£100,000
Year 2 Interest	£26	£78	£420	£5,000 <small>*Automatically paid annually</small>
Year 3 capital	£551	£1,653	£8,820	£100,000
Year 3 Interest	£27	£82	£441	£5,000 <small>*Automatically paid annually</small>
Total Interest	£78	£235	£1,261	£15,000

* Please note that you can only have a maximum of 100,000 shares in B4RN (unless you are an I&P organisation). Therefore, interest will be paid out annually at the end of our financial year on the 31st March and will not compound.

Investment Facts



Investment and Membership

- Shares can be held individually, jointly, or by organisations.
- All shares are "withdrawable" and can only be sold back to B4RN
- The minimum investment required to become a member is £100, and the maximum that can be held is £100,000
- Membership in B4RN allows you to be part of the B4RN community, vote at the AGM, and have a say in the future of B4RN.
- Annual interest is paid in additional shares or cash, with a current rate of 5%.

Withdrawal of Investment

- Investments must be held for three years before withdrawal.
- The withdrawal amount is subject to availability. Since 2011, we have fulfilled every withdrawal request, of course this cannot be guaranteed.
- Priority is given to interest payment withdrawals.

Offer to Waive Residential Connection Fee

- A waived residential connection fee is available with a minimum purchase of 1500 shares in a single transaction.
- Members can have up to a maximum of four waived connections; which can be obtained by purchasing further multiples of 1500 shares.
- Waived connection fees cannot be assigned retrospectively after the property connection.
- This offer is valid for five years from the date of initial purchase.

Application Process

- Application forms are available for individuals, joint memberships, associations, and commercial enterprises.
- Forms can be obtained from the B4RN website, email, or within this pack.

What is the difference between a Pledge and a Share?

A pledge is your commitment or promise to invest in B4RN. When you pledge to purchase shares, you indicate your intent to invest by buying shares when your project progresses to delivery. Pledging does not involve transferring any funds and is not legally binding.

On the other hand, a share represents ownership and membership in B4RN. Shareholders have rights such as voting on company matters. When you purchase shares, you enter into a contract to buy them and will need to transfer funds accordingly.

Read the Share Prospectus and Rules

If you're considering becoming a B4RN shareholder, it is important for you to read the Share Prospectus.

A link to our Prospectus can be found on our website here: www.b4rn.org.uk/shareprospectus

A copy of the Prospectus can also be found in this pack.

The accompanying rules are available here to read: www.b4rn.org.uk/b4rnrules

How to Pledge

1. Locating a pledge form

- Download an Individual or Joint pledge form from our website: www.b4rn.org.uk/pledgeformiandj
- If you are an organisation or a business, you can find the pledge form: www.b4rn.org.uk/pledgeformoandb
- Or complete the one provided in this pack

2. Submit Pledge Form

- Please print off the form and fill it out with your details.
- To email it, you will need to scan your document first.
- You can then email the completed pledge form to pledges@b4rn.org.uk
- Alternatively, you can send it by post to our office address:
B4RN, Station Yard, Melling, Carnforth LA6 2QY.

Or hand it back to your Engagement Officer during your community event using the envelope provided.

3. Wait for Acknowledgement

- You should receive an acknowledgement from B4RN administrators within 2 business days.

4. Requesting to convert your pledge to a share

- Once your local project is ready to proceed, you'll be contacted by the Pledge Administrator.
- You'll be emailed a copy of your existing pledge and asked to complete a blank shares application form. (see section below)
- NB: The shares form is a contract to purchase shares in B4RN and become a member. You will be asked to provide your details again on the Shares form separately, alongside some additional required information.

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*If you're unsure about any of the steps, don't hesitate to ask for clarification from the Pledge Administrator:
pledges@b4rn.org.uk*

How to Invest

1. Locating a share form

- The share form is available in this pack and available as a download here: www.b4rn.org.uk/shareform
- Alternatively, email shareregistrar@b4rn.org.uk for a copy.

2. Fill Out the Share Form

- Print and fill out the Share Form.
- Or complete the one provided in this pack.
- You can request to link your investment to your local project on the form.

3. Submit Share Form

- Please print off the form and fill it out with your details.
- To email it, you will need to scan your document first.
- You can then email the completed shares form to sharesregistrar@b4rn.org.uk
- Alternatively, you can send it by post to our office address:
B4RN, Station Yard, Melling, Carnforth LA6 2QY.
- Or hand it back to your Engagement Officer during your community event using the envelope provided.
- You must also transfer your funds as outlined on the application form. You will need to provide a payment reference, which is explained on the shares form.

4. Confirmation Of Membership

- Once your shares application is received and processed, you'll receive a confirmation from the shares registrar and certification of membership and shareholding amount.

*If you're unsure about any of the steps, don't hesitate to ask for clarification from the Shares Registrar:
sharesregistrar@b4rn.org.uk*

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Frequently Asked Questions

FAQ continued

What types of shares are B4RN Shares?

B4RN shares do not change in value. They're valued at one pound each, and every member gets a say in what happens because they all have equal voting rights.

B4RN shares are 'withdrawable.' That means you can sell them back to the society, but you need to follow some rules and conditions. You can check out all the details in our rules.

You can only sell your shares back to B4RN, and they don't increase or decrease in value. Instead, you get your money back at the same price you paid, plus interest.

For the first three years, you can't withdraw your investment. We currently pay annual interest at a rate of 5%, and it's added to your account as more shares. However, you can request your interest back in cash if you choose.

The B4RN Rules can be found here: www.b4rn.org.uk/b4rnrules

There is a risk involved, as with all financial investments, and you might want to take financial advice.

Is my money safe?

As with almost any investment, members could lose some or all of the money they invest. Potential investors should judge the level of risk and act appropriately. B4RN's annual audited accounts are available on the FCA website.

How long am I locked in?

3 Years. From Year 3 onwards, investors may apply to withdraw their investment. B4RN puts aside an amount each year to fund these withdrawals; however, the amount available will be subject to availability and will be at the discretion of the Directors, so there is no guarantee that sufficient funds will be put aside in a particular year to meet all withdrawal demands.

Since 2011, we have fulfilled every withdrawal request, of course, this cannot be guaranteed.

Can companies be shareholders?

Yes, we welcome investments from various entities, including Incorporated Bodies (I&Ps), Corporate Bodies (non-I&Ps), and Unincorporated Associations (such as Scout Groups).

What if I need my money back in less than three years?

In rare cases, the Board may consider requests for early redemption, but approval is not guaranteed. Please be aware that we typically expect investments to be held for a minimum of three years. If you find yourself in a situation where you need early redemption, you can reach out to the shares registrar to request that the Board consider an exception.

Am I guaranteed 5% interest?

No, while 5% has been the rate since B4RN started in 2011, it's not guaranteed. The interest rate may change if circumstances change.

How will my interest be paid?

At present, 5% interest is added to the share capital on the 31st March.

If part of the shareholding is withdrawn during the year, then interest is added pro-rata at 5%.

If a shareholder takes the 5% interest out as cash when it is added, then just the capital remains, but if the 5% is left in as more shares, they are compounded.

By default, interest is paid as shares, and then on request, it is paid as cash.

FAQ continued

Who owns B4RN?

B4RN is a Community Benefit Society owned and governed by our members, who are often local residents, customers, or supporters of the organisation. This means that investors in B4RN become members of the society and have a say in its operations and decision-making processes.

What if the project does not progress into build?

In the event that the project does not progress to the delivery phase, your pledge, which is a commitment to purchase shares, does not require conversion into a shares investment. Therefore, there is no financial obligation on your part.

However, should the project advance to the delivery phase, you will receive communication prompting the conversion of your pledge into a shares investment.

If you have already invested in B4RN, as per our rules, you will need to keep your investment in B4RN for the full three-year minimum term.

What if B4RN faces financial difficulties?

In the highly unlikely scenario that B4RN ceases operations, we'll first allocate available funds after settling all liabilities to pay members any money owed to them upon withdrawing their shares. If (and only if) B4RN doesn't have enough funds to fully reimburse all shareholders for their share withdrawals at £1 per share, we can reduce the value of each share so that all shareholders are treated equally. Please remember, we cannot offer financial advice, and there are inherent risks associated with purchasing shares.

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FAQ continued

How does B4RN use my money?

When you invest in B4RN, you're putting your money into B4RN itself, becoming a member, and supporting our mission of building strong communities through delivering broadband.

We will ask if you'd like your investment to support a specific area where we're building our network. We try our best to honour your preference. Each area we build has a target amount of funding we need to hit, including your investments, local grants and funding from the Government. If we end up raising more money than we need for a particular area, we will use that support to help other areas struggling to get their projects off the ground. Let's face it, not all communities have the same resources, some need more help than others.

We do not use funds from shares investment for day-to-day expenses; they are used to ensure that more communities can get connected. B4RN uses share money to support projects, not for operational costs.

What benefits do I get from being a shareholder?

There are many benefits as a shareholder. Members who have invested £1500 can choose to have their connection fee waived. Shareholders currently receive 5% interest per year on their investments. Every member gets equal voting rights at the AGM.



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Understand the risks

Disclaimer

Investors should be aware that investing in B4RN carries the risk of potential loss of invested capital. While these investments offer the opportunity to contribute to social impact and rural development, there is no guarantee of financial returns or capital preservation. Before investing, individuals should carefully assess their risk tolerance, conduct thorough due diligence, and seek advice from financial professionals. Past performance does not indicate future results, and investors should be prepared for the possibility of partial or total loss of their investment.

B4RN's Rules

Please visit www.b4rn.org.uk/b4rnrules to download a copy of the society rules.

B4RN's Prospectus

www.b4rn.org.uk/shareprospectus



FCA Rules on Community Investments

www.fca.org.uk/firms/resources-your-society/community-shares#section-withdrawable-shares



Audited Annual Accounts, lodged with the FCA

<https://mutuals.fca.org.uk/Search/Society/7915>



Contacts

Pledges: pledges@b4rn.org.uk

Shares Registrar: shareregistrar@b4rn.org.uk

Phone: 01524 555887

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