

B4RN[®]

Investment Booklet

Get Involved, Get B4RN!

Introduction to B4RN

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."



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Our principals



Customers

- Maintain first-class service provision to existing customers.
- Innovate services to maximise competitive advantage and value for money.
- Facilitate Business relationships with SME's and B2B opportunities.

Community

- Ensuring that community is at the heart of our decision-making.
- Maintain a representative membership across all B4RN communities.
- Striving for positive social impact across our communities.

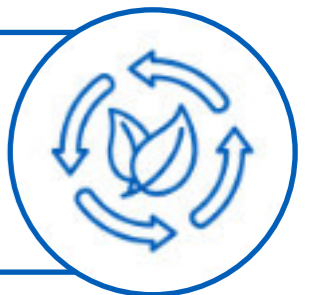


People

- Create a safe, positive, collaborative and fair working environment.
- Invest in and develop our people.
- Building a culture of belonging for our stakeholders.

Sustainability

- Pursue and invest in opportunities to ensure the longevity of the business.
- Maintain agile build functionality to capitalise on emerging opportunities.
- Scope and Undertake Environmental initiatives.



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"The original speeds that we had were very low, when B4RN came it was genuinely life-changing."

Gina, Volunteer Champion, Cautley



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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 UK 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 UK 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.



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

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 UK 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.

Financial Projections

How 5% interest looks year-on-year



* 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.

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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.

Why Pledges are Needed

Projects need part-funding by cash from shares, as UK government voucher funding and other grants do not cover build costs. However, we do not want the shares purchased before that cash is required; that is, too far in advance of a built project producing income to pay the share interest.

That is why, to establish the viability of a project before it gets the go-ahead to be built, we ask investors (members of the community being served) to pledge the amount of their shares investment, which will subsequently be called upon when we need it.

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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.

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.

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: <http://b4rn.info/share-prospectus>

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

The accompanying rules are available here to read: <http://b4rn.info/b4rn-rules>

All rules are subject to review by B4RN Directors.



How to Pledge

1. Using the Online Pledge Form (recommended)

- You can fill in and submit the pledge form online from our website: <https://b4rn.org.uk/pledge>.
- The completed form is forwarded to you by email to be signed digitally; full signing instructions are attached. The signing process is safe and secure.
- You digitally sign the form, after which it is automatically returned to us.
- You will then receive an acknowledgement email with a copy of your signed pledge attached.
- Where two people are pledging jointly, the form is emailed to the first applicant for signing, then to the second applicant once the first applicant has signed. Both applicants receive an acknowledgement email.

2. Using the Paper Pledge Form

- You can download a pledge form (PDF 200Kb) from our website, fill it in and sign, then lodge it with us via email or post.
- If you are pledging as an individual or jointly, the form is accessed from: <http://b4rn.info/pledge-for-shares-application-form-individual-and-joint>
- If you are pledging as an organisation or a business, the form is accessed from: <http://b4rn.info/pledge-for-shares-application-form-organisations-and-businesses>
- Please print off the form, fill it out with your details and sign.
- After scanning, email your completed form to us at: pledge@b4rn.org.uk
- Alternatively, you can post your completed form to our office address:
- B4RN, Station Yard, Melling, Carnforth LA6 2QY
- You will then receive an acknowledgement email with a copy of your signed pledge attached.

How to Invest

1. Using the Online Share Application Form (recommended)

- The share investment application form is available online from here: <https://b4rn.org.uk/share-investment-application-form>.
- Once you have filled in your application and sent it to us, you will be emailed a copy of the application for signing electronically. A signing guide will be attached.
- As soon as you have signed, we will email an acknowledgement to which will be attached your signed application.

2. Using the Paper Share Form

- The share investment application form is available in this pack and available as a download here: <https://b4rn.info/share-application-form>
- Alternatively, email shareregistrar@b4rn.org.uk for a copy.
- Print and fill out the share form. Please note the form is an editable PDF, therefore you can choose to either fill & sign using an appropriate tool, for example Adobe Fill & Sign, or print the form and complete by hand.
- You can request to link your investment to your local project on the form.
- You can then email the completed shares form to shareregistrar@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 Project Developer Coordinator during your community event using the envelope provided.

3. Confirmation Of Membership

- Once your share investment application and full payment is received and processed, your shares will be issued and you will receive your shares certificate from the Shares Registrar together with confirmation of membership.

Frequently Asked Questions

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: <http://b4rn.info/b4rn-rules>

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.

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.

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).

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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.



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.

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. Shareholders currently receive 5% interest per year on their investments. Every member gets equal voting rights at the AGM. From time to time, B4RN will offer our customers an introductory offer - details of our latest offer can be found:

<http://b4rn.info/investment-offer>

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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 <http://b4rn.info/b4rn-rules> to download a copy of the Society rules.

B4RN's Prospectus

<http://b4rn.info/share-prospectus>

FCA Rules on Community Investments

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

Audited Annual Accounts, lodged with the FCA

mutuals.fca.org.uk/Search/Society/7915

Contacts

Pledges: pledge@b4rn.org.uk

Shares Registrar: share REGISTRAR@b4rn.org.uk

Phone: 01524 555887

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