



Station Yard, Melling, Carnforth, Lancashire, LA6 2QY Tel: 01524 555887 | Email: [shareregistrar@b4rn.org.uk](mailto:shareregistrar@b4rn.org.uk)

## SHARE PROSPECTUS

### Invitation to subscribe for shares in Broadband for the Rural North Ltd (trading as B4RN)

#### The Society

Broadband for the Rural North Ltd (known as B4RN) is an Industrial and Provident Society, registered under the Co-operative and Community Benefit Societies Act 2014 (registration number 31352R).

B4RN is overseen by a Board of Directors who are answerable to the Society's members. B4RN's audited accounts and statutory returns are available to view on the Mutuels Public Register (<https://mutuals.fca.org.uk/Search/Society/7915>).

The Society aims to:

- Provide high speed broadband to domestic and business premises located in the rural areas of the UK, especially those areas which receive inadequate broadband service;
- Promote the take up of broadband, the Internet and the use of information and communication technology;
- Provide an opportunity for public-spirited people and organisations to contribute financially to the Community, with the expectation of a social dividend, rather than personal financial reward.

As a Community Benefit Society, B4RN must operate for the benefit of its defined Community rather than for the benefit of its members and shareholders. B4RN can pay interest on its shares but only at a level necessary to attract and maintain the investment needed to fund the network construction and operation. Any surplus funds must be used to benefit the Community and not be distributed to shareholders.

#### B4RN's Network

Since 2011 B4RN has steadily developed a broadband network covering parts of Lancashire, Cumbria, Northumberland, North Yorkshire, Cheshire and Norfolk. B4RN is continuing to add new communities to the network. Each community project must support itself financially through income from Government vouchers, charitable grants and the purchase of new shares from within the community.

All shares are in B4RN, the company, and give the investor a 'share' in B4RN and the opportunity to support our ideals of Community builds. If required, investments may be "tagged" to an area of build, and we do our best to respect that wish. Each build has a funding target which has to be met by the combination of investments and charitable and Government grants.



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If the amount raised exceeds the funding target then it is used to support other build areas that are struggling to raise their project funding. Not all areas are equally affluent and some face bigger fundraising challenges than others. Each build Community has its own identity but is also part of the bigger B4RN Community and mutual help and support is key.

### Investment and membership of B4RN

Shares in B4RN may be held by individuals, jointly (up to four named people as one joint shareholding), or by organisations, or by an individual on behalf of a child under 16. All shares are “withdrawable shares” and can only be sold back to B4RN. They have no potential for capital gains and will only be redeemed at face value.

Each share in B4RN has a nominal value of £1. The maximum allowable shareholding is £100,000 worth of shares, unless the shareholder is registered as an Industrial and Provident Society, in which case they can hold more than 100,000 shares.

A member is entitled to one vote at General Meetings irrespective of the number of shares they own. For clarity, 100 or more shares held jointly constitutes one (joint) member. Any shareholder investing in 100 or more shares is a member of B4RN and is entitled to vote at General Meetings and become involved in the strategy of the Society.

The Society operates a share purchase instalments scheme, subject to acceptance, to help an individual to purchase the minimum shareholding to become a member.

Annual interest is paid at a rate which is determined by the Board of Directors after taking into account the financial position of the Society and Financial Conduct Authority rules. At present the rate is 5% which is paid in the form of additional shares credited to the investor. Where shares are held jointly, all correspondence and apportioning of interest will be directed to the first named person and reporting to HM Revenue & Customs will reflect this. This shareholder will also vote on behalf of their joint membership at General Meetings. Where shares are held by an organisation, the organisation's representative will receive all correspondence and will vote on behalf of the organisation at General Meetings.

For anyone considering investing in shares in B4RN, the 'Rules of Broadband for the Rural North Limited' document, which details the rules of the Society, and how shares are managed in detail is available to download from the B4RN website: [www.b4rn.org.uk](http://www.b4rn.org.uk) or by emailing [shareregistrar@b4rn.org.uk](mailto:shareregistrar@b4rn.org.uk).



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### Withdrawal of Investment

An investment has to be held for three years before it can be withdrawn. From Year 4 onwards shareholders 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 the Society's trading position and will be at the discretion of the Directors, so there is no guarantee that there will be sufficient funds put aside in a particular year to meet all demands for withdrawal. First priority will be given to those investors wishing to withdraw their end-of-year interest payments. The B4RN end-of-year is the 31<sup>st</sup> March, and these will always be paid if requested within 2 months of that date. Any remaining requests will be handled on a first come, first served basis until the withdrawals fund is exhausted.

Clearly there are risks associated with buying shares. You may feel it appropriate to take professional advice before investing.

### Offer to Waive a Residential Connection Fee

Those investors purchasing at least 1,500 shares will be able to designate a property within the B4RN coverage area and, on connection, the standard residential connection fee will be waived. Investors wishing to buy more than 1,500 shares can take advantage of this offer for each complete 1,500 purchased. There is a cap of four such separate residential connection fees per investor. B4RN will assume the investor's home address to be the property designated for the refund unless told otherwise. The rules associated with waived connection fees are laid out below.

### Shares application form

B4RN publish four versions of the application form (one for individuals, one for joint membership, one for associations, and one for businesses). For clarity, the term 'association' refers to a group of people affiliated to, and investing on behalf of, an organisation that does not trade (does not buy and sell goods and services). The version of the application form for businesses is for organisations that trade, such as companies, partnerships and sole traders, and other business types such as charities, and registered societies.

Investors will need to fill out the appropriate one, sign it and return it to B4RN.

Application forms and the Business Plan are available to download from the B4RN website: [www.b4rn.org.uk](http://www.b4rn.org.uk) or by emailing [shareregistrar@b4rn.org.uk](mailto:shareregistrar@b4rn.org.uk)



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### THE RULES RELATING TO WAIVED CONNECTION FEES

1. A waived connection fee refers to the cost of a standard residential connection fee.
2. A standard residential connection is the fee for a standard 1Gbps residential connection at the time of installation at the property. At the time of writing this is £60 but may vary.
3. A waived connection fee is only available where a minimum of 1500 shares is purchased in a single transaction.
4. A maximum of 3 further waived connection fees can be obtained at the same time or at a later.
5. Waived connection fees are only available for the use of the shareholder to use for themselves or to donate elsewhere. If the shareholder ceases to be a shareholder before the waived connection fees have been used, the right to waive connection fees will lapse.
6. The right to waive connection fees is available for a period of five years from the date of the initial purchase. If it has not been used by that date it will lapse.
7. A waived connection fee cannot retrospectively be assigned to a property after it has gone live.
8. These amended rules on the issue of waived connection fees came into force on 1st April 2021 and supersede the previous rules on this matter.
9. The amended rules will not apply in relation to share purchases made before 31st March 2021, where the previous rules will continue to apply.
10. Queries will be considered on an individual basis, by application to [shareregistrar@b4rn.org.uk](mailto:shareregistrar@b4rn.org.uk).

This incentive is subject to review by the Directors and may be cancelled in the future, reflecting the steady lowering of the risk profile of B4RN and hence the reduced need to offer incentives to invest.