



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

PROSPECTUS

Invitation to subscribe for shares in Broadband for the Rural North Ltd (trading as B4RN) 1st January 2022

The Society

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

Day-to-day operations are overseen by a Board of Directors who are answerable to the Society's members.

B4RN's annual audited accounts and statutory returns are available to view on the Mutuals Public Register maintained by the Financial Conduct Authority.

(<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 are poorly served by their current broadband suppliers;
- Promote the take up of broadband, the Internet and the use of ICT generally;
- 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.



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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.

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

Each B4RN share has a nominal value of £1. Anyone holding £100 or more of shares is a member of B4RN and is entitled to vote at General Meetings and become involved in the strategy of the Society. The maximum shareholding is £100,000 worth of shares (unless the shareholder is an I&P company). As a Community Benefit Society, a member is entitled to one vote at General Meetings irrespective of the number of shares they own.

Withdrawal of Investment

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. For the first three years the investment cannot be withdrawn. Annual interest will be paid at a rate which will be determined by the Board after taking into account the financial position of the Society and FCA rules. At present the target rate is 5% which is paid in the form of additional shares credited to the investor's account.



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From Year 4 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 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 the interest payments they have received in the year. These will always be paid if requested within 2 months of receipt (at present this is 31st March each year). Any remaining requests will be handled on a first come, first served basis until the withdrawals fund is exhausted. B4RN estimates being able to redeem all outstanding shares by 2027 if investors wish to redeem their shares.

Clearly there are risks associated with buying these shares given that they are withdrawable only and this is subject to the Society's financial position and the decisions of the Directors. You may feel it appropriate to take professional advice before investing.

Larger Investors

Those investors purchasing at least £1,500 worth of shares will be able to designate a property within the B4RN coverage area which B4RN will connect without payment of the £150 connection charge. 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 free connections per investor. B4RN will assume the investor's home address to be the property designated for free connection unless told otherwise. The rules associated with free connections are laid out below.

Shares application form

B4RN publish two versions of the application form (one for individuals, one for organisations). 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 or by emailing shareregistrars@b4rn.org.uk



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THE RULES RELATING TO FREE CONNECTIONS

1. A free connection is only available where a minimum of 1500 shares is purchased in a single transaction.
2. A maximum of 3 further free connections can be obtained at the same time or at a later date through the purchase of further multiples of 1500 shares.
3. A landowner who has earned a minimum of 1500 shares by digging through his/her own land will be entitled to a free connection/s, up to the normal maximum of four.
4. Free connections 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 free connections have been utilised, the right to free connections will lapse.
5. The right to free connections 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.
6. A free connection cannot retrospectively be assigned to a property after it has gone live.
7. These amended rules on the issue of free connections will come into force on 1st April 2021 and will supersede the previous rules on this matter.
8. The amended rules will not apply in relation to share purchases made before 31st March 2021, where the previous rules will continue to apply.
9. Queries will be considered on an individual basis, by application to 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.