

Costs

B4RN have now drawn up a detailed plan for our first phase with an estimate for other routes and have given us a costing and an investment target.

The route costings break down as follows (see maps below for the areas covered by each route), n.b. the costings for Route 1/R/Wa/Wb have a high degree of confidence, but the other routes are more just an indicative cost as the route details need more firming up.

Item	Full cost including dig costs	Total dig costs	Number of potential properties	Cost without dig costs
Route 1 (includes shared interconnect costs)	£ 79,852.50	£25,642.50	96	£ 54,210.00
Route R (covers East and North West central Rathmell)	£ 10,057.59	£3,070.50	45	£ 6,987.09
Route Wa (Rathmell -> Far Cappleside, covering South West central Rathmell)	£ 20,681.25	£6,360.00	71	£ 14,321.25
Route Wb (Far Cappleside -> Wigglesworth, covering all central Wigglesworth)	£ 53,611.71	£16,132.50	61	£ 37,479.21
Route Wc (Wigglesworth -> Coars Farm)	£ 28,816.83	£11,992.50	23	£ 16,824.33
Route Wd (Wigglesworth -> Cow Bridge / Deep Dale Head)	£ 18,847.43	£8,077.50	17	£ 10,769.93

Route N (Swainstead -> Wham / Routster)	£ 38,912.88	£17,062.50	22	£ 21,850.38
Route T (-> Old Oliver / Boostagill towards Tosside)	£ 80,022.27	£34,522.50	52	£ 45,499.77
Control node	£10,000	n/a	all 374 in project area	£10,000

Dig costs have an allowance of £1.50/metre of dig length (regardless of how many ducts are in that metre) and if that digging is undertaken by someone willing to work for B4RN shares the cost of that digging does not have to be met out of the project budget. As you can see from the table above there are very significant savings to be made. We believe that we have almost 100% of Phase1 that will be done as dig for shares.

For Phase 1 we are aiming to include the Control cabinet, Route 1, Route R and Route Wa, this allow us to cover all of central Rathmell and all landowners who are giving us access to their land for Route 1.

The total from the costing for Phase 1 less digging costs is **£85k** which still assumes that all possible properties are dug to.

Investment

The initial investment target we have been set to enable us to begin digging is **£50k** which represents an amount which would fully cover the cost of the local control node and all the ducting on Route 1 (including serving all properties on that route, regardless of whether they have registered an interest) and an assumption that all digging will be paid for in full from the project budget. We know that many landowners have indicated that they would like to do their own dig which reduces the cost on the project for those sections. Also not all properties will want to be connected so there will be a saving where they do not need to be dug to.

Please note that this is only an initial target to allow digging to start and additional funds will be required to fully complete Phase 1 and for other routes.

Investment can be done either through buying shares in B4RN or making a loan to B4RN. In both cases you are given the option to specify whether you want the money to be ring-fenced to a particular project or to be used generally on any B4RN project – **please ensure that you choose to ring-fence and please specify the ‘Rathmell & Wigglesworth’ project.**

INVESTMENT IS NOW OPEN

PLEASE NOTE THAT I AM NOT A FINANCIAL ADVISOR – PLEASE SEEK INDEPENDENT FINANCIAL ADVICE IF YOU REQUIRE IT

Shares

The definitive details of the shares scheme are described in the share prospectus document below.

Brief details are that the minimum investment for shares is £100 and the maximum is £100,000, each B4RN share has a nominal value of £1. The scheme is covered by an Enterprise Investment Scheme with HMRC which means you can receive a 30% tax rebate on the amount of your investment as long as you have paid that much tax in the current or previous tax year. Shares have to be held for a minimum of 3 years and cannot be traded and can only be sold back to B4RN. From year 4 you can apply to B4RN for them to buy back shares at £1 per share, or receive annual interest which 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. Anyone purchasing shares becomes a member of B4RN and is entitled to vote at general meetings and become involved in the strategy of the society. As a community benefit society, a member is entitled to one vote at general meetings irrespective of the number of shares they own. If you are a shareholder of 1500 shares you are entitled to a free initial property connection, which would otherwise cost £150.

Share prospectus

<https://b4rn.org.uk/wp-content/uploads/2017/09/Invitation-to-Subscribe-for-shares-in-B4RN-v3.1-21.9.17.pdf>

Share application form (n.b. 2 separate forms in here one for individuals and one for organisations)

<https://b4rn.org.uk/wp-content/uploads/2017/09/Share-application-form-B4RN-V5.1-21.9.17.pdf>

Remember to ring fence investment to Rathmell & Wigglesworth project

Loans

A limited number of investors may apply to make loans to B4RN at 4% interest over 5 years. The following is an excerpt from B4RN's loan literature, if you think this is an option you want to explore in more detail please let me know and I will forward you more details.

Most people prefer to support the build-out of the network with Shares rather than a loan.

Shares offer 5% interest, and carry the EIS initiative, which offers a 30% return on the investment via a tax rebate. Because of the EIS rules, shares have to be kept for 3 years and do not earn interest in that time, but they do allow a say in the future of B4RN. Both shares and loans can be dedicated to speed the build-out in a particular area. Full information about shares in B4RN can be found on <https://b4rn.org.uk/resources/> . Loans are more beneficial for non-tax payers and are for a 5 year term, paying 4% compound annual interest with the interest and capital repaid at the end of the term.

The B4RN business plan from 2013 is here

<https://b4rn.org.uk/wp-content/uploads/2015/09/B4RN-Business-Plan-v5-2.pdf>

FAQ

Who will have the details of what has been invested?

Only B4RN will have knowledge of who has invested and the amount of the investment. They will keep the local team apprised of the total amount of investment and where there are choices to be made on which routes / sections of a route are to be done next they will give the local team advice based on the relative amounts of investment. n.b. if you take the option of having your cheque/form held locally pending the target being reached then your investment will necessarily also be known by Roger Vincent.

I'm not on Phase 1 why would I invest now?

A significant part of the costs involved in putting Phase 1 in place are items which will service connections on every property covered by the project, these include the local control node (£10k) and 24 fibres within the 7.5km main route cabling (~£3.6k) to provide the link back into the main B4RN network. As some of the costs are of benefit to everyone it seems reasonable to ask that everyone covered by the project who is willing to invest should consider making at least part of the overall investment that they would be prepared to make in order to help cover those shared costs and get the project started. The project cannot start until the investment target is reached.

Also it is at the end of the day still an investment and it is possible to make a return on that investment (e.g. 30% EIS tax rebate on shares, shares 5% from year 4, loans 4%) whilst also knowing that the money is going into building towards the end goal of bringing a B4RN connection to you.

Which route will be done next?

In an ideal world we will have all the money and all the digging resource we need to do everything at once, however it is likely that the local team will have to make a decision on which route or routes are worked on next. It may be for example that part of Route R and part of Route W are done in parallel. N.b. this would all be incremental work joining in to a point already reached by Phase 1.

A major influence on this decision will be the amount of investment that has come from

properties on a particular route. B4RN will advise the local team as to what the distribution of investment is and this will be one of the factors the local team consider as part of the decision as to where work is done next.

Can my investment be conditional on reaching the investment target?

Yes, if you send your shares investment form and cheque (payable to Broadband for the Rural North Ltd) to Roger Vincent (address below) we can keep your investment on hold until the investment target is reached whereupon all the forms and cheques would be forwarded to B4RN. Once your share investment form and cheque reach B4RN the investment will be locked-in for three years as dictated by the EIS rules. If you do ask to keep your investment on hold the start of that investment will only begin when B4RN receive and process your form/cheque, i.e. the start of your 3 year minimum share holding time will be delayed and your 30% tax rebate can only be claimed when the investment has started.

(Mark your envelope with B4RN)

Roger Vincent
1 Rectory Cottages
Main Street
Rathmell
Settle
BD24 0LA

What if I invest and I live at the one of the extremes of the area where it is not yet certain that I might get a connection?

B4RN tell me that they will never leave an investor hanging. In B4RN's experience once a project is under way and the need arises for small amounts of additional investment it invariably arrives. If you are concerned whether this might apply to you please contact me.

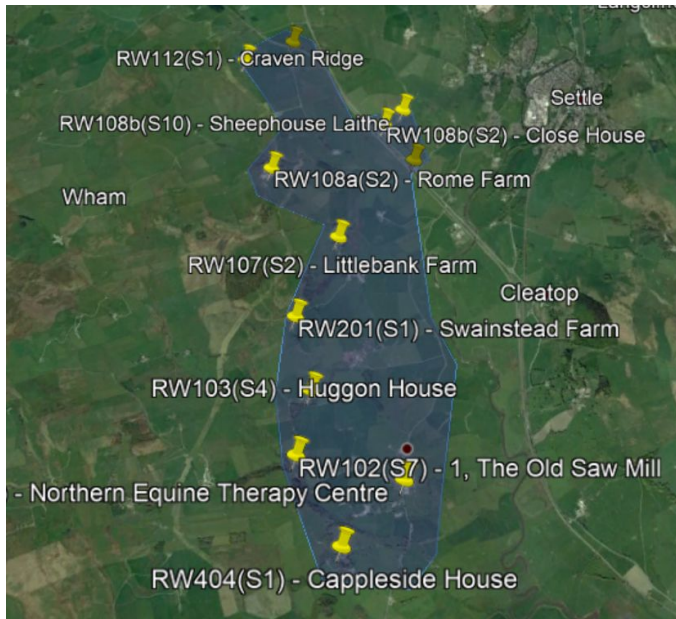
Can I invest later?

Yes, you can invest in B4RN at any time, you can invest something now and more later if that works best for you. Even once our project is all done you could still invest in B4RN if you wish to and have your money put towards B4RN projects in other communities.

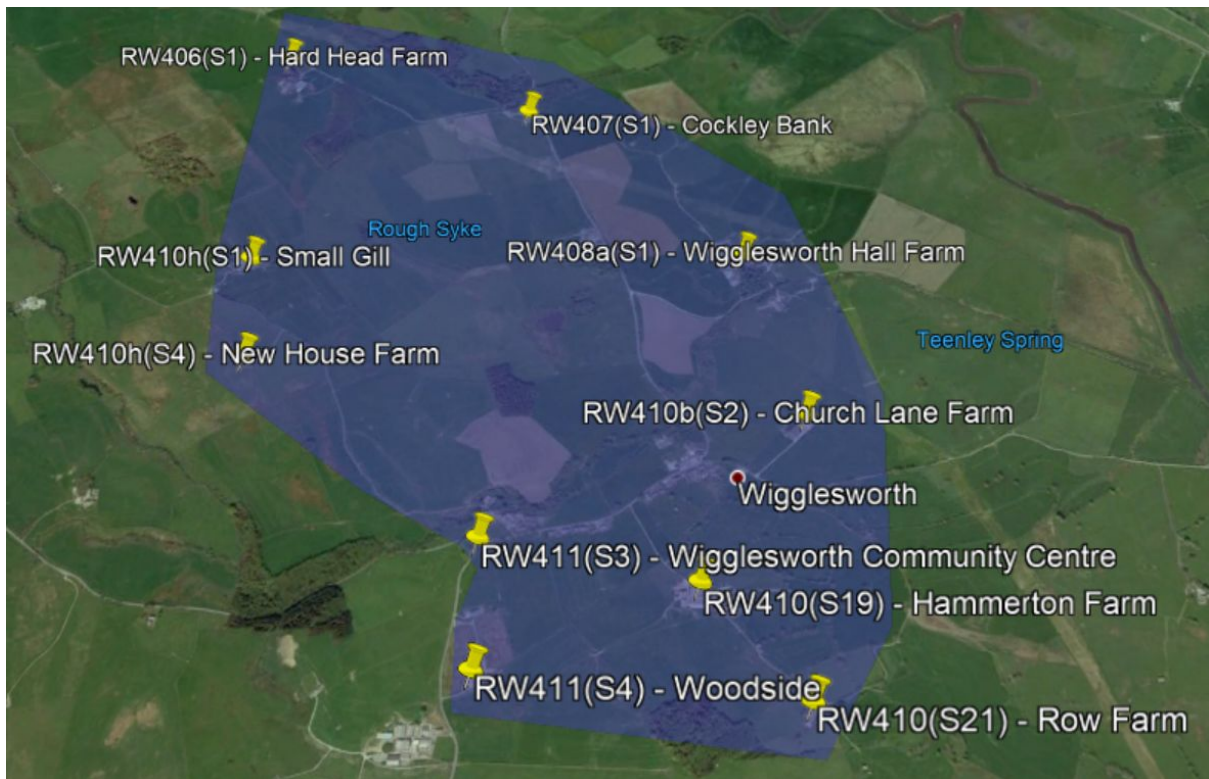
If you can't invest until after your route is in place and you are connected / waiting to be connected please remember that there may be people on other routes which need additional investment who may have put investment into getting your connection in place and it would be good to return the favour.

Route Coverage Maps

Phase1



Route Wb



Route Wc



Route Wd



Route N



Route T

