



Broadband for the Rural North Ltd

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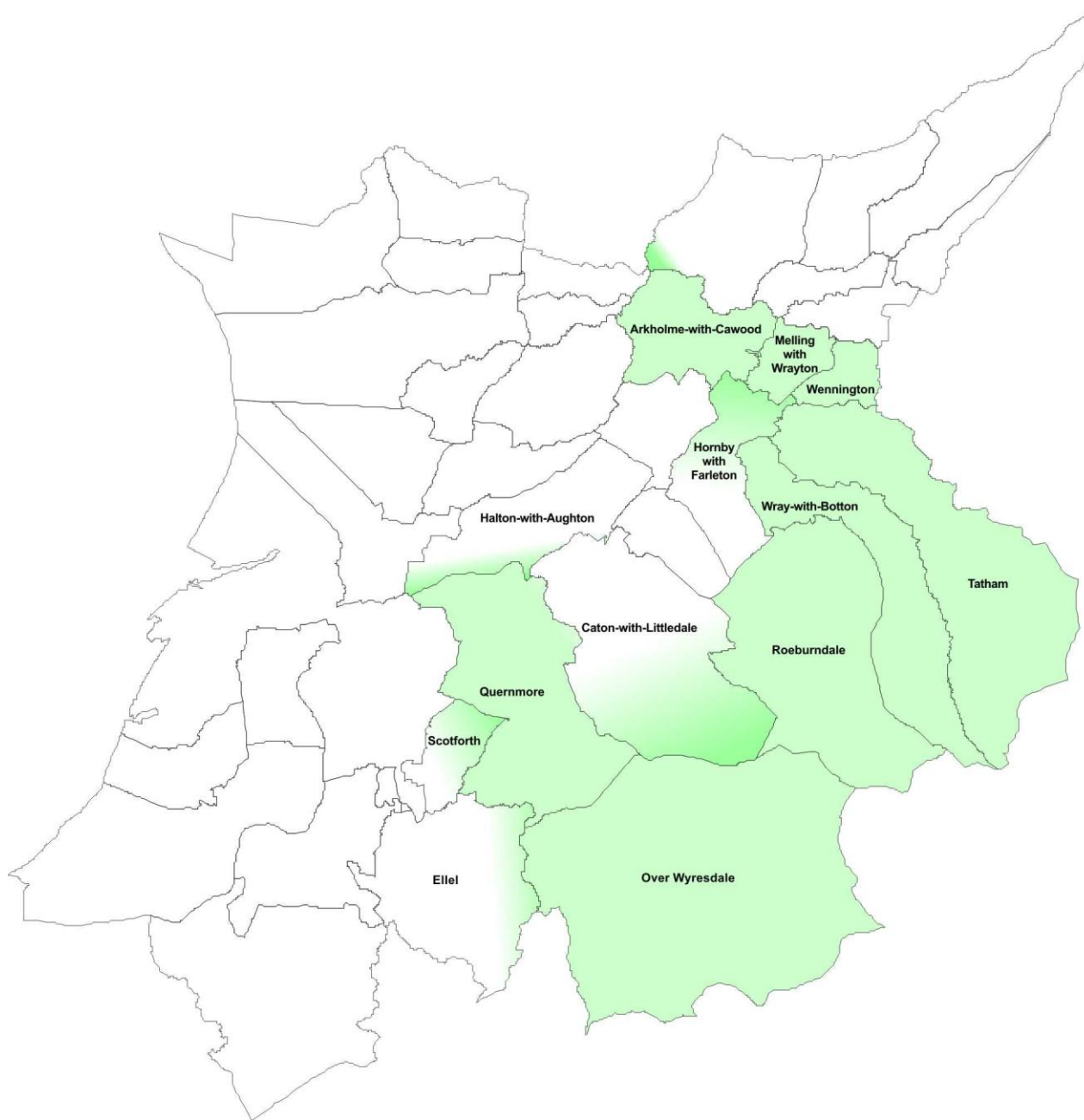
[www.b4rn.org .uk](http://www.b4rn.org.uk)



What is the problem?



- Broadband in rural areas is poor
 - Few telephone exchanges serving large areas
 - long lines to properties
 - Results in low speed or no service
- BT's Superfast Broadband (SFBB) & VM cable broadband being rolled out
 - To 60% of population using private finance
 - To 90% with government support (BDUK)
- Last 10% too expensive to reach so left out of main scheme
 - Will get basic 2Mbs via phone lines
 - or maybe faster using wifi/4G/Satellite
- **Rural areas will not get proper SFBB**
 - at least 30Mbs now, upgradeable to 100Mbs and 1000Mbs
- NGB needs fibre optic cables all the way to the home (FTTH)



Original 2011
business plan
coverage area

8 parishes
~1500 properties

It needn't be complicated



- Don't dig up the roads
- Go cross country over private farmland
 - Need free wayleaves from land owners
- Use small bore ducts
 - Keeps material costs down
 - Mole plough or open trench
- Use blown fibre technology
 - Allows us to assemble network piecemeal
- Get the community digging!

Revised Coverage



- Detailed Network design completed
 - 21 parish area
 - 3206 properties
 - 100% of properties
 - No one too far or too expensive
 - It's a community project



Revised Phase 1
coverage area

23 parishes, 4100
properties

Cost



- Detailed Network design completed
 - 21 parish area
 - 3206 properties
 - 100% of properties
 - No one too far or too expensive
 - It's a community project
- Build cost is £3.55M @ 100% take up
 - £2.9M at 50% take up
- 40% of cost is down to labour (~£1M)
 - This is work that can be done by community
- 60% of cost is down to materials
 - This includes work we cannot do ourselves (~£2.5M)
- Need to raise money from community via shares

Broadband for the rural North Ltd



- Industrial and Provident Society Act 1965
- Company number 31352R (R indicated an IPS)
- Community Benefit Society
 - Similar to coop but answerable to community rather than our shareholders, more like a charity in some ways
- One member one vote, not related to number of shares member holds
- Asset lock

Membership



- Minimum investment is £100
- Maximum investment is £20,000
- These are per person limits
- Mutual Society so 1 member 1 vote
- From year 4 can apply to withdraw investment
- Remains a member so long as £100 remains
- If all shares withdrawn ceases to be a member
- No longer able to vote and determine policy of B4RN

First share issue



- £2M issue opened on 14th Dec 2011
- Buy either with cash £1.5M shares available
- Or with effort £500K available.
- Issue closed for cash investments 14/12/12
- Still open for effort investors as digging ducts is time consuming and dependant on weather
- So far raised £500K, expect another £200K
- Targeted on first 8 parishes of original plan

Second share issue



- 3 million £1 shares available this time
- Targeted more on the 15 parishes not in the original plan
- Still get EIS 30% tax relief on investments above £500
- Those investing £1500 or more
 - Can nominate a property that
 - will get a free connection worth £150
 - This time no 12 months free service
 - Risk is much lower
- Be aware that HMRC will treat the £150 free connection as receiving value from B4RN and reduce the EIS tax relief accordingly.
- If you have one then discuss this with your financial advisor to ensure you get the best deal

Holding Shares



- Shares are withdrawable
 - You can only sell them back to B4RN
 - You cannot sell them to anyone else
- Shares must be held for 3 years to conform with EIS rules
 - Tax relief is paid immediately but if you sell the shares before the three years are up then HMRC will claw back the tax relief
- **B4RN rules do not permit withdrawals during first three years anyway**

Holding Shares 2



- During the first three years no interest will be paid on the shares (but you did get the 30% EIS tax relief)
- In year 4 and after we aim to pay 5% interest annually
 - This is subject to B4RN having sufficient funds to meet the cost
 - Business plan shows that it will
 - But we cannot guarantee it!

Building Progress



- Link to Telecity Manchester operational
 - MX240 router installed in Kilburn House
 - Leased fibre Quernmore-Kilburn commissioned
 - DWDM in place with 16 wavelengths available
 - Member of RIPE, LIR have v4 and v6 allocations
 - Peering with EDGE-IX (10Gbs)
 - Shortly with IX-Manchester
 - Have IP transit in place

Building it



- Quernmore and Arkholme nodes operational
- Abbeystead node in place
- Almost all of Arkholme trunk routes completed
- Should be able to offer service to anyone in parish who wants it within a couple of months
- Abbeystead dig almost complete, just needs 5 road crossings done. Live in March
- 47Km of trunk and spur duct done
- End March will be at 300 properties passed and >150 connected and live

Building it



- Lots of activity all over the patch
- As a route gets dug sign up climbs from 30-50% to 50-80%.
- Also next cluster of properties wake up and become active diggers
- Very organic

Targets



- 300 connections by early summer
 - Self sufficient, income covers operating expenses
- 1000 connections by end of year
 - Allows us to staff up with full time paid employees
- 50% take up, 1600 customers end 2014
- 60% take up, 1923 customers end 2015
- 70% take up, 2244 customers end 2016
- 80% take up, 2565 customers end 2017
- Pay back investments within 10 years



Thank you for coming

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