

# B4SH

Broadband for Surrey Hills Ltd, 4 Swaynes Lane, Guildford, Surrey GU1 2XX  
Tel 07437 165949 Email [enquiries@b4sh.org.uk](mailto:enquiries@b4sh.org.uk) Web <http://www.gigupanddown.net>  
Registration No 7656 VAT 289 5582 37

## Frequently Asked Questions about Investing

### **How do you fund the cost of building the network?**

Building and running the network is funded by monies raised from investors. B4SH is privately funded so needs independent investors to cover our costs. We rely on volunteers to do a lot of the work, but need funds to cover the cost of materials and equipment.

### **How does the Tax Relief work?**

B4SH applied for, and were granted, Social Investment Tax Relief (SITR), as a result investors will be able to apply to HMRC for SITR, which is currently 30%. Individuals making an eligible investment can deduct 30% of the cost of their investment from their income tax liability, either for the tax year in which the investment is made or the previous tax year. The investment must be held for a minimum period of 3 years for the relief to be retained.

An overview of SITR can be found at <https://www.gov.uk/government/publications/social-investment-tax-relief-factsheet/social-investment-tax-relief>.

### **How do I become a member of B4SH?**

Anyone purchasing shares becomes a member of B4SH and is entitled to vote at general meetings and become involved in the strategy of the society. The minimum shareholding is £500 and the maximum shareholding is £100,000. As a community benefit society, each member is entitled to one vote at general meetings, irrespective of the number of shares they own.

### **Why should community spirit entice me to invest?**

We provide opportunities for public-spirited people and organisations to contribute to the community, financially (or by volunteering), with the expectation of a social dividend, rather than personal financial reward.

### **Is B4SH a registered company?**

Yes. Broadband for Surrey Hills Ltd (known as B4SH) is a registered society with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (registration number 7656).

B4SH's annual accounts and statutory returns will be available to view on the Mutuals Public Register maintained by the Financial Conduct Authority (FCA).

### **Does B4SH pay dividends?**

As a community benefit society, B4SH is not for profit and must operate for the benefit of its defined community (ie its potential clients) rather than only for the benefit of its members and shareholders. B4SH cannot pay dividends, but can pay interest on its shares; however 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 cannot be distributed to shareholders.

However, as we do not pay dividends we should have better control over future pricing and there is no need to increase subscriptions to cover shareholder returns.

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## **How do I sell my shares?**

All shares are “withdrawable shares” and can only be sold back to B4SH. They have no potential for capital gains and will only be redeemed at face value.

## **Will I get interest on my shares?**

For the first four years the investment cannot be withdrawn nor will any interest be paid. From year 5 and onwards 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 3% which is paid in the form of additional shares credited to the investor’s account annually.

From year 5 onwards investors may apply to withdraw their investment but all withdrawals will be at the discretion of the directors. For more information see our Application to Invest and our Business Plan.

## **How’s my investment protected?**

There will not be any protection on your investment, however you can immediately apply for 30% tax relief from HMRC and after 5 years will be eligible for interest.

## **Why should I invest?**

Your investment in our service will influence our route planning as we aim to connect all our investors to our service. If, however, we have very low levels of interest in subscribing and insufficient investors we will unfortunately have to modify or stop our rollout plans. We have faith in the service being a success and believe that once people have experienced the benefits of the service they will invest. It is important to remember we are not reinventing the wheel, we just aim to give the Surrey Hills what the hills of Cumbria, Lancashire and Yorkshire are experiencing today – fast and reliable broadband.

## **What happens if I don’t invest?**

Without your investment we will not be able to build the network as quickly and, in some instances, if there is insufficient interest we will not be able to build the network to your area. Your investment will also influence where our network goes as we will seek to connect our investors as swiftly as we can.