

Invitation to subscribe for shares in Broadband for Surrey Hills Ltd (“B4SH”)

July 2023

The Society

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

Day-to-day operations are overseen by a board of directors who are answerable to the society’s members.

B4SH’s annual accounts and statutory return are available to view on the Mutuels Public Register maintained by the Financial Conduct Authority (FCA).

The society aims to:

- Provide high speed broadband to domestic and business premises located in the rural areas of the Surrey Hills, especially those areas which are poorly served by their current broadband suppliers;
- Promote the take up of broadband and the Internet and the use of information and communication technology generally;
- 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.

As a community benefit society, B4SH 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 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.

B4SH’s Network

Our broadband network connects into the Zayo fibre network north of Albury, Surrey and then runs south into the Surrey Hills. We offer hyperfast connectivity, greater than 920 Megabits per second symmetric service (same speeds up and download).

Our network already covers over 90km and we have over 280 live connections across the Surrey Hills including areas such as Shamley Green, Farley Green, Winterfold, Willinghurst, the Chantries, Albury and Peaslake.

We are continuing to model ourselves on, and receiving technical support from, the highly successful Broadband for Rural North (“B4RN”) who offer a corresponding service to the community in Lancashire/Yorkshire/Cumbria.

Funding the cost of building the network

The cost of purchasing and installing the necessary equipment and the cost of rolling out the network across the Surrey Hills is funded partly by the Government’s gigabit scheme and partly

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Registration No 7656 VAT No 289 5582 37

by individual private investors. To date we have received £534,000 from the Government and £875,825 from private investors.

B4SH will continue to raise money from both the Government and from private investors in order to fund further roll out of the network to infill areas already serviced and also to expand into new areas within the Surrey Hills.

Investment and membership 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.

Withdrawal of investment and risks of investing

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. 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. B4SH intends to put 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, or any, applications for withdrawal. First priority will be given to those investors wishing to withdraw the interest payments they have received in the year. Any remaining requests will be handled on a first come, first served basis until the withdrawals fund is exhausted.

B4SH aims over the long-term to be able to redeem all outstanding shares if investors wish to redeem their shares, although this is dependent on the society’s performance.

Clearly there are risks associated with buying these shares given that B4SH is a start-up company. Anyone buying shares could lose some or all of the money they invest. There is no recourse to the government’s Financial Services Compensation Scheme or to the Financial Ombudsman Service. Any withdrawals of capital are subject to the society’s financial position and the decisions of the directors, and there is no potential for capital gains. You may feel it is appropriate to take professional advice before investing.

Shares application form

B4SH publishes 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 B4SH. Application forms are available to download from the B4SH website: www.gigupanddown.net or by emailing enquiries@B4SH.org.uk.