

Annual Return (AR30) form

Society Name: Broadband for the Rural North Limited
 Society Num: 31352 R

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register.

For guidance on our registration function for societies, which includes guidance on the requirement to submit an Annual Return, please see [here](#)

2.1 What date did the financial year covered by these accounts end?

31/03/2019

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.

Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of Director	Month of Birth	Year of Birth
Christopher Carr	Dec	1951
Monica Lee	Feb	1952
Peter Hearne	Jun	1947
Ian Robert Thompson	Mar	1954
Barry Forde	Mar	1949

3.2 All directors must be 16 or older. Please confirm this is this case:

☒ All directors are aged 16 or over

3.3 Societies are within the scope of the Company Director Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

☒ No director is disqualified

3.4 Please state any close links which any of the directors has with any society, company or authority.

'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

Christopher Carr: None.

Monica Lee: Director, Lancaster & Kendal Plc; Director and Chair, MB Hodgson & Son; Trustee, Cawthorne's Education Foundation.

Peter Hearne: Director, Vitreus Investments Ltd; Director and Secretary, Fusionic Limited.

Ian Robert Thompson: Company Secretary and Director of Clifford Hall Estates Management Co Ltd; Trustee and Treasurer of

Burton Regeneration Group (reg charity 1117534) ; Trustee and Treasurer of

Bentham Common Land Charity; Chairman of Burton in Lonsdale Parish Council.

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.

Societies must have a secretary

Name of Secretary

Month of Birth

Year of Birth

Monica Lee

Feb

1952

4.1 Please confirm that:

☒ accounts are being submitted with this form

☒ the accounts comply with relevant statutory and accounting requirements

☒ the accounts are signed by two members and the secretary (3 signatures in total)

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members

2484

Turnover

1378876

Assets

8415184

Number of Employees

27

Share Capital

6269265

**Highest rate of interest paid
on shares**

5

4.3 What Standard Industrial Classification code best describes the society's main business?

Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes [here](#)

SIC Code

**Construction of utility projects for electricity and
telecommunications (42220)**

*

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

5.1 Please select the audit option the society has complied with:

- ☒ Full Professional Audit
- ☐ Auditor's report on the accounts
- ☐ Lay Audit
- ☐ No audit

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

- ☒ We have complied with the audit requirements

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

- ☒ Yes
- ☐ Not applicable

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

- ☐ Yes
- ☒ No

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

- ☐ Registered
- ☒ Not applicable

5.6 Is the society a housing association?

- ☒ No
- ☐ Yes

6.1 Is the society a subsidiary of another society?

- ☐ Yes
- ☒ No

6.2 Does the society have one or more subsidiaries?

(As defined in sections 100 and 101 of the Act)

- ☐ Yes
- ☒ No

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); or
- are conducting business for the benefit of the community ('community benefit society').

You must answer the questions set out in the next section of this form, depending on which condition for registration you meet.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance [here](#).

7.1 Condition for Registration

- ☐ Co-operative society
- ☒ Community Benefits society

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

7B.1 What is the business of the society?

For example, did you provide social housing, run an amateur sports club etc.

Building a high-speed optical fibre broadband network in isolated/socially deprived rural communities
Aiding similar community driven networks to be built elsewhere.

7B.2 Please describe the benefits to the community the society delivered?

Here we are looking to see what the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

Provision of a high speed broadband service
Reduction of social isolation and increased communication opportunities
Local employment and increased economic viability
Opportunities for members of the community to engage and be trained in skills required to build optical fibre broadband networks

7B.3 Please describe how the society's business delivered these benefits?

The business of the society must be conducted for the benefit of the community. Please describe how the society's business (as described in answer to question 7B.1) provided benefit to the community.

The community is directly involved in bringing the network to their and their neighbours premises, installing it and passing on the skills to the next community.

7B.4 Did the society work with a specific community, and if so, please describe it here?

For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

The network was instigated in the rural north west of England, and has expanded steadily since then, moving from community to community.

7B.5 What did the society do with any surplus or profit?

For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

5% dividend was paid to members. Other monies were reinvested in the business.

7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest.

Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

None

BROADBAND FOR THE RURAL NORTH LIMITED

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Scott & Wilkinson LLP
Chartered Accountants and Registered Auditors
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

Broadband for the Rural North Limited is a registered society under the
Co-operative and Community Benefit Society Act 2014. Registration number 31352R.

BROADBAND FOR THE RURAL NORTH LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	Page
Society Information	1
Statement of Directors Responsibilities	2
Independent Auditors' Report	3
Income and Expenditure Account	5
Balance Sheet	6
Notes to the Financial Statements	7

BROADBAND FOR THE RURAL NORTH LIMITED

**SOCIETY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019**

Directors: Professor B Forde
Dr M Lee
Mr P Hearne
Mr C Carr
Mr I Thompson

Secretary: Dr M Lee

Registered office: Station Yard
Melling
CARNFORTH
LA6 2QY

Registered number: 31352R

Auditors: Scott & Wilkinson LLP
Chartered Accountants and Registered Auditors
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

BROADBAND FOR THE RURAL NORTH LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2019

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board:



.....
Professor B Forde - Director



P.M. HEARNE, Director

Date: 10... September 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADBAND FOR THE RURAL NORTH LIMITED

Opinion

We have audited the financial statements of Broadband For The Rural North Limited (the 'society') for the year ended 31 March 2018, which comprise the Income and Expenditure Account, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADBAND FOR THE RURAL NORTH LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 2], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TM Preece

Tim Preece F.C.C.A. (Senior Statutory Auditor)
for and on behalf of Scott & Wilkinson LLP
Chartered Accountants and Registered Auditors
Dalton House
9 Dalton Square
LANCASTER
LA1 1WD

Date: 13 September 2019

BROADBAND FOR THE RURAL NORTH LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
Income		1,378,876	1,051,439
Cost of sales		<u>395,234</u>	<u>270,635</u>
Gross surplus		983,642	780,804
Administrative expenses		<u>963,723</u>	<u>770,654</u>
		19,919	10,150
Other operating income		<u>15,489</u>	<u>10</u>
Operating surplus	4	35,408	10,160
Interest payable and similar expenses		<u>185,760</u>	<u>132,466</u>
Deficit before taxation		(150,352)	(122,306)
Tax on deficit		<u>-</u>	<u>-</u>
Deficit for the financial year		<u>(150,352)</u>	<u>(122,306)</u>

The notes form part of these financial statements

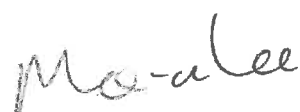
BROADBAND FOR THE RURAL NORTH LIMITED (REGISTERED NUMBER: IP31352R)


**BALANCE SHEET
31 MARCH 2019**

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	5	8,306,931	6,505,761
Current assets			
Debtors	6	54,878	28,453
Prepayments and accrued income		13,142	21,729
Cash at bank and in hand		<u>40,233</u>	<u>72,591</u>
		108,253	122,773
Creditors			
Amounts falling due within one year	7	<u>1,050,199</u>	<u>373,871</u>
Net current liabilities		(941,946)	(251,098)
Total assets less current liabilities		7,364,985	6,254,663
Creditors			
Amounts falling due after more than one year	8	<u>2,168,615</u>	<u>2,375,564</u>
Net assets		<u>5,196,370</u>	<u>3,879,099</u>
Capital and reserves			
Called up share capital	9	6,269,265	4,801,642
Income and expenditure account		<u>(1,072,895)</u>	<u>(922,543)</u>
Accumulated funds		<u>5,196,370</u>	<u>3,879,099</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 10 September 2019 and were signed on its behalf by:


.....
Dr M Lee - Director


P. M. Henderson, Director

The notes form part of these financial statements

BROADBAND FOR THE RURAL NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Statutory information

Broadband For The Rural North Limited is a registered society under the Co-operative and Community Benefit Society Act 2014. The society's registered number and registered office address can be found on the Society Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Network	- 4% on cost
Plant and machinery etc	- 25% on reducing balance, 25% on cost and 15% Reducing balance

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. Employees and directors

The average number of employees during the year was 27 (2018 - 21).

	2019	2018
	£	£
Directors' remuneration	<u>66,244</u>	<u>57,743</u>

Payments made to directors are in respect of services performed as employees of the society.

4. Operating surplus

The operating surplus is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	<u>428,787</u>	<u>331,348</u>

BROADBAND FOR THE RURAL NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2019

5. Tangible fixed assets

	Network £	Plant and machinery etc £	Totals £
Cost			
At 1 April 2018	7,153,414	283,953	7,437,367
Additions	<u>2,121,868</u>	<u>108,089</u>	<u>2,229,957</u>
At 31 March 2019	<u>9,275,282</u>	<u>392,042</u>	<u>9,667,324</u>
Depreciation			
At 1 April 2018	793,208	138,398	931,606
Charge for year	<u>371,013</u>	<u>57,774</u>	<u>428,787</u>
At 31 March 2019	<u>1,164,221</u>	<u>196,172</u>	<u>1,360,393</u>
Net book value			
At 31 March 2019	<u>8,111,061</u>	<u>195,870</u>	<u>8,306,931</u>
At 31 March 2018	<u>6,360,206</u>	<u>145,555</u>	<u>6,505,761</u>

6. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	13,104	14,339
Other debtors	<u>41,774</u>	<u>14,114</u>
	<u>54,878</u>	<u>28,453</u>

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Hire purchase contracts	7,794	-
Trade creditors	259,611	154,725
Taxation and social security	17,253	12,395
Other creditors	<u>765,541</u>	<u>206,751</u>
	<u>1,050,199</u>	<u>373,871</u>

8. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Hire purchase contracts	14,289	-
Other creditors	<u>2,154,326</u>	<u>2,375,564</u>
	<u>2,168,615</u>	<u>2,375,564</u>

BROADBAND FOR THE RURAL NORTH LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019****8. Creditors: amounts falling due after more than one year - continued**

	2019 £	2018 £
Included within the above amounts, the following are amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans more than 5yrs non-instalments	<u>282,390</u>	<u>410,060</u>

9. Called up share capital

Allotted, issued and fully paid:		Nominal value:	2019 £	2018 £
Number:	Class:			
6,269,265	Ordinary Shares	1	<u>6,269,265</u>	<u>4,801,642</u>

New shares allotted

During the year 1,482,381 Ordinary Shares having an aggregate nominal value of £1,482,381 were allotted for an aggregate consideration of £1,482,381

Shares withdrawn

During the year 14,758 Ordinary Shares having an aggregate nominal value of £14,758 were withdrawn for an aggregate consideration of £14,758