

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?

31/03/2021

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
Barry Forde	Dec	1949
Monica Lee	Feb	1952
Chris Carr	Jun	1951

Peter Hearne

Mar

1947

Ian Thompson

Mar

1954

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.

Barry Forde: 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

2531

Turnover

1743465

Assets

12799041

Number of Employees

51

Share Capital

7425585

**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 2021

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

BROADBAND FOR THE RURAL NORTH LIMITED

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FOR THE YEAR ENDED 31 MARCH 2021**

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BROADBAND FOR THE RURAL NORTH LIMITED

**SOCIETY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

Directors: Prof C Carr (Chair)
Mr P Hearne
Dr M Lee
Mr I Thompson

Secretary: Dr M Lee

Registered office: Station Yard
Melling
CARNFORTH
LA6 2QY

Registered number: 31352R (England and Wales)

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

BROADBAND FOR THE RURAL NORTH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The year saw significant investment in the expansion of the B4RN network. By the year end we had grown the team to over 50 for the first time, and we had over 7,400 customers connected to the network and taking service.

It was also the year in which we saw a change of Chief Executive Officer, with Professor Barry Forde being succeeded by Mr Michael Lee, who took up his post in March 2021. Professor Forde, who has been with B4RN since the very beginning, also resigned from the Board and was succeeded as Chairman by Professor Chris Carr. The Directors would like to place on record their sincere thanks to Professor Forde for his inspirational leadership over the years and wish him a long and happy retirement.

Since the Year End, the expansion plans commenced under Professor Forde's leadership have been completed and developed. Staff numbers now exceed 70, a level sufficient for the foreseeable future. Michael Lee, working with Chief Operating Officer Tom Rigg, has put in place a new and thorough Project Control mechanism, whereby each project is examined for operational and finance viability, not just before the decision is taken to proceed to build, but also at regular intervals throughout the planning and build process. This puts B4RN on track to generate financial surpluses in the coming years, which will, as well as enabling us to meet our funding repayment obligations, also facilitate investment in community payback projects.

As the company has grown, our approach to health and safety, volunteer training and human resources has also developed accordingly. This ensures that the "Just do it" can-do approach of B4RN's early years, which was so successful, continues in a safe and efficient way. It is the new approach that has been vital to B4RN achieving national recognition, receiving the 2021 ISPA award of Best Rural Broadband in the UK.

We look forward with great confidence to the future, with our biggest challenge being the huge demand for our excellent service: a great springboard for B4RN's further development.

Statement of directors' responsibilities

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 surplus or deficit 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:


.....
Prof C Carr - Director

Date:  January 2022

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 2021, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2021 and of its deficit 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

In auditing the financial statements, we have concluded that the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the committee of management with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The committee of management are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries are made of management and those charged with governance as to whether there is any knowledge of actual, suspected, or alleged fraud, whether there is any known non-compliance with laws or regulations, and whether the society has been subject to any litigation or any legal claims.
- audit work over the risk of management override of controls is undertaken. This includes testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- analytical reviews are performed on the financial statements at all stages of the audit by comparison to prior years,
- budgets and expectations to ensure the reasonableness of the figures therein.
- third party confirmation is obtained from the society's bankers to confirm bank balances, loan facilities and security held.
- detailed audit testing is undertaken in specific areas to ensure that income and expenditure is correctly recorded and is a genuine income or expense of the society.

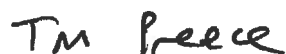
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the society's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. 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.



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

Date: 21. January 2022

BROADBAND FOR THE RURAL NORTH LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Income		2,184,338	1,743,465
Cost of sales		<u>478,316</u>	<u>445,236</u>
Gross surplus		1,706,022	1,298,229
Administrative expenses		<u>1,934,694</u>	<u>1,355,462</u>
		(228,672)	(57,233)
Other operating income		<u>188,659</u>	<u>158,875</u>
Operating (deficit)/surplus	4	(40,013)	101,642
Interest receivable and similar income		<u>1,176</u>	<u>5,601</u>
		(38,837)	107,243
Interest payable and similar expenses		<u>589,089</u>	<u>570,959</u>
Deficit before taxation		(627,926)	(463,716)
Tax on deficit		<u>224</u>	<u>1,064</u>
Deficit for the financial year		<u>(628,150)</u>	<u>(464,780)</u>

The notes form part of these financial statements

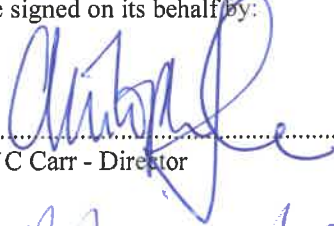
BROADBAND FOR THE RURAL NORTH LIMITED (REGISTERED NUMBER: IP31352R)


**BALANCE SHEET
31 MARCH 2021**

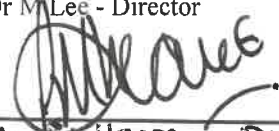
		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		14,946,060		11,413,721
Current assets					
Stocks		238,802		-	
Debtors	6	221,312		100,893	
Prepayments and accrued income		40,474		20,356	
Cash at bank and in hand		<u>934,176</u>		<u>1,264,071</u>	
		1,434,764		1,385,320	
Creditors					
Amounts falling due within one year	7	<u>1,279,472</u>		<u>658,394</u>	
Net current assets			<u>155,292</u>		<u>726,926</u>
Total assets less current liabilities			15,101,352		12,140,647
Creditors					
Amounts falling due after more than one year	8		<u>7,955,889</u>		<u>6,252,737</u>
Net assets			<u>7,145,463</u>		<u>5,887,910</u>
Capital and reserves					
Called up share capital	9		9,311,288		7,425,585
Income and expenditure account			<u>(2,165,825)</u>		<u>(1,537,675)</u>
Accumulated funds			<u>7,145,463</u>		<u>5,887,910</u>

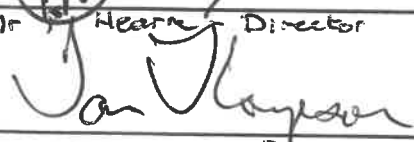
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 17 January 2022 and were signed on its behalf by:


.....
Prof C Carr - Director


.....
Dr M Lee - Director


.....
Mr E Hearn - Director


.....
Mr I Thompson - 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 2021

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 Co-operative and Community Benefit Society Act 2014. 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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 cost and 15% on cost

Pension costs and other post-retirement benefits

The society operates a defined contribution pension scheme. Contributions payable to the society's pension scheme are charged to income and expenditure account in the period to which they relate.

3. Employees and directors

The average number of employees during the year was 57 (2020 - 43).

	2021	2020
	£	£
Directors' remuneration	<u>73,608</u>	<u>84,314</u>

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

4. Operating (deficit)/surplus

The operating deficit (2020 - operating surplus) is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	<u>915,466</u>	<u>612,232</u>

BROADBAND FOR THE RURAL NORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

5. Tangible fixed assets

	Network £	Plant and machinery etc £	Totals £
Cost			
At 1 April 2020	12,710,001	668,945	13,378,946
Additions	<u>3,917,027</u>	<u>530,778</u>	<u>4,447,805</u>
At 31 March 2021	<u>16,627,028</u>	<u>1,199,723</u>	<u>17,826,751</u>
Depreciation			
At 1 April 2020	1,672,622	292,603	1,965,225
Charge for year	<u>673,044</u>	<u>242,422</u>	<u>915,466</u>
At 31 March 2021	<u>2,345,666</u>	<u>535,025</u>	<u>2,880,691</u>
Net book value			
At 31 March 2021	<u>14,281,362</u>	<u>664,698</u>	<u>14,946,060</u>
At 31 March 2020	<u>11,037,379</u>	<u>376,342</u>	<u>11,413,721</u>

6. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	98,218	19,637
Other debtors	<u>123,094</u>	<u>81,256</u>
	<u>221,312</u>	<u>100,893</u>

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Hire purchase contracts	12,528	7,794
Trade creditors	309,996	202,686
Taxation and social security	44,376	31,810
Other creditors	<u>912,572</u>	<u>416,104</u>
	<u>1,279,472</u>	<u>658,394</u>

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

	2021 £	2020 £
Hire purchase contracts	6,536	6,495
Other creditors	<u>7,949,353</u>	<u>6,246,242</u>
	<u>7,955,889</u>	<u>6,252,737</u>

Deferred government grants are released to the income and expenditure account at a rate of 4% per annum, this being the same rate at which depreciation is charged on the asset for which the grant was received.

BROADBAND FOR THE RURAL NORTH LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021	2020
	£	£
Included within the above amounts, the following are amounts falling due in more than five years:		
Other creditors	<u>47,272</u>	<u>158,186</u>

9. Called up share capital**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2021	2020
			£	£
9,311,288	Ordinary Shares	1	<u>9,311,288</u>	<u>7,425,585</u>

New shares allotted

During the year 2,090,821 Ordinary Shares having an aggregate nominal value of £2,090,821 were allotted for an aggregate consideration of £2,090,821.

Shares withdrawn

During the year 205,118 Ordinary Shares having an aggregate nominal value of £205,118 were withdrawn for an aggregate consideration of £205,118.