

Registered Number 09809428

HEREFORDSHIRE COMMUNITY NETWORKS CIC

Micro-entity Accounts

18th December 2018

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COMPANIES HOUSE

Herefordshire Community Networks CIC

Profit and Loss Report

1st April 2017 to 31st March 2018

Sales

4001 - Sales - Services	666.67	
4900 - Other income	100.00	
Total Sales		£766.67

Direct Expenses

Total Direct Expenses £0.00

GROSS PROFIT / LOSS £766.67

Overheads

Total Overheads £0.00

NET PROFIT / LOSS £766.67

David Howell
DAVID HOWELL

Herefordshire Community Networks CIC

Balance Sheet Report

1st April 2017 to 31st March 2018

ASSETS

Fixed Assets

0001 - Assets - Cost	35,029.89	
	Total Fixed Assets	£35,029.89

Current Assets

0002 - Connection vouchers	27,000.00	
1200 - Herefordshire Community Networks CIC Current	359.78	
	Total Current Assets	£27,359.78

TOTAL ASSETS	£62,389.67
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LIABILITIES

Current Liabilities

0003 - Network depreciation	12,788.08	
1100 - Trade Debtors	6,782.00	
1110 - Prepayments	245.20	
2100 - Trade Creditors	-4,924.31	
2300 - Directors' Loans	900.00	
VAT	1,756.98	
2200 - VAT on Sales	133.33	
2201 - VAT on Purchases	-59.13	
2202 - VAT Liability	1,682.78	
	Total Current Liabilities	£17,547.95

Future Liabilities

18 Dec 2018 09:12

David Howell
DAVID HOWELL

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Total Future Liabilities	£0.00
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TOTAL LIABILITIES	£17,547.95
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TOTAL NET ASSETS	£44,841.72
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EQUITY

3000 - Share capital	37,500 00
3200 - Capital introduced	2,500 00
3260 - Drawings - equity	-2,500 00
Net Profit / Loss	7,341 72
3100 - Profit and Loss Account	27,000 00
Net Profit / Loss (prior year(s))	-20,424 95
Net Profit / Loss (current year)	766 67

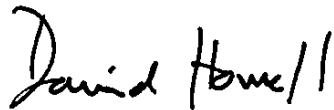
TOTAL EQUITY	£44,841.72
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David Howell
DAVID HOWELL

- For the year ending 31st March 2018 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.
- The accounts have been prepared in accordance with the micro-entity provisions and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board 18.12.18

Signed on their behalf by:

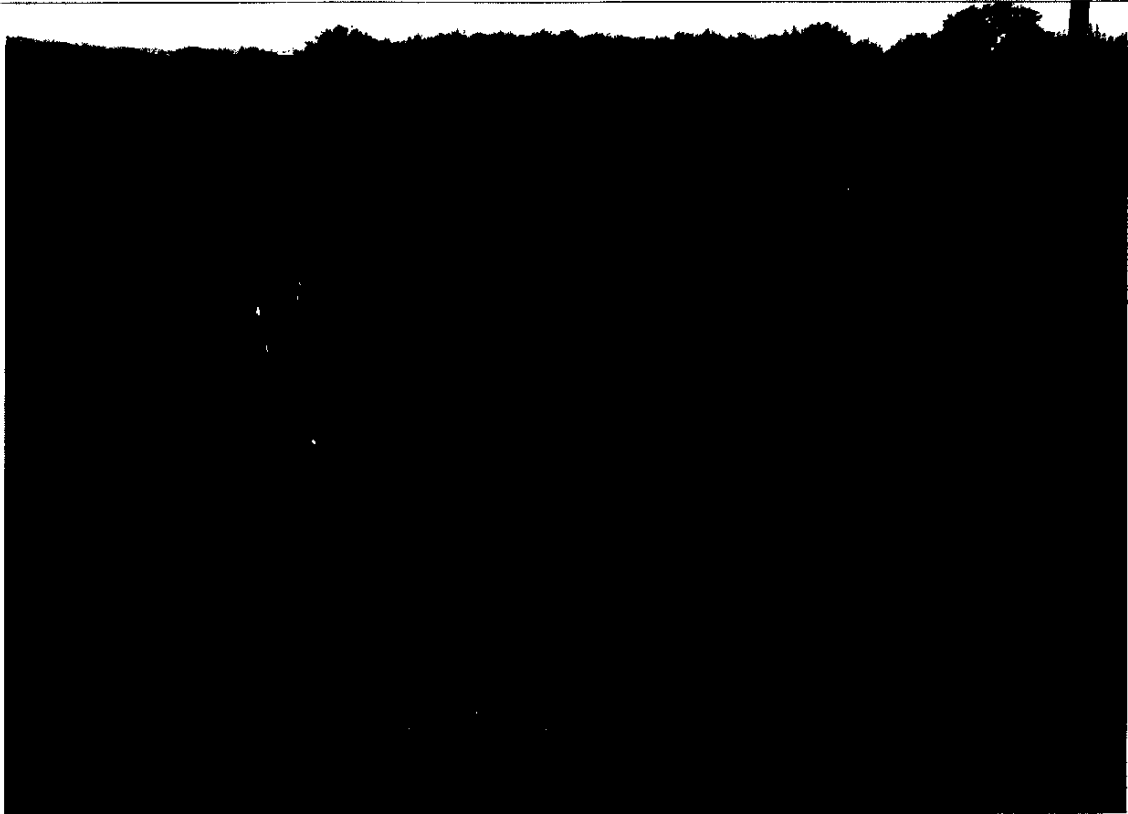
A handwritten signature in black ink that reads "David Howell". The signature is written in a cursive, slightly slanted style.

David Howell, Director, HCN.



**Herefordshire
Community
Networks CIC**

18th December 2018



ANNUAL REPORT 2018

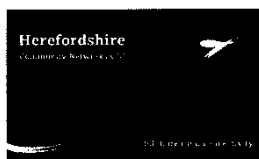
A year of solid performance

This Annual Report covers the period from 1st April 2017 to the 31st March 2018, a period marked by strong and stable performance of the network, substantial growth in the types and number of applications being run by our customers, and the award for outstanding community full-fibre broadband by the European Commission.

No broadband network runs without the possibility of outages in network delivery, but in every case where a customer has reported an outage or any fault with the network, this has been traced to outages in their local electricity supply and/or problems with their in-premise network. Even a major all day power outage to the whole of Dewsall — including your company's head-end equipment — did not cause a single failure to HCN's services.

Dewsall & Callow remain in the top 5% of communities in the whole of the UK.

HCN directors take the opportunity of a tree planting to recognise the invaluable work of David Curtis as a founding director of the company.



Herefordshire Community Networks CIC

18th December 2018

HCN Fibre Network

Now we have the benefit of two plus years of exemplary network performance behind us, this annual report will address largely the new opportunities for growth that are open for us.

But before we address such issues, here's a quick reminder of who we are and what we do.

Herefordshire Community Networks CIC is fundamentally a community-built gigabit-capable FTTP network serving Dewsall and Callow in Herefordshire, officially launched on 11 June 2016.

We currently provide full fibre-to-the-premises to 34 separate premises, with an active customer base of 22 connections (some connections cover more than one premise, some connections are installed but not yet used).

Our fibre network currently comprises some 186km of fibre strands, 2 km of local tails and 12 km of fibre backhaul. It has been funded partly by business vouchers granted by Birmingham City, and partly by investments made by both the Duchy of Cornwall and by individuals in the community.

Our network is capable of Gigabit (1,000 Mbps) speeds. The only constraint on internet traffic is occasioned by the BT backhaul of 100Mbps and this is upgradeable as and when required



Jess Norman MP takes a lesson in fibre splicing from Andy Collins from Fibre Options

“Sustainability has always been at the heart of how we operate”

- HRH THE PRINCE OF WALES, ON A PRIVATE VISIT TO HEREFORDSHIRE COMMUNITY NETWORKS

Continued support of HCN

The Duchy of Cornwall, which is a major landowner in the county and keen to further promote rural businesses and quality of life in the countryside, continues to be a champion of the HCN network, through the good efforts of David Curtis, the Duchy's Land Stewart for the Eastern Region, who has served as a director of HCN from its inception.

Sadly for us, David will be retiring from the Duchy next year, and we have been planning for the change as he retires from HCN this month. However, the Duchy's commitment to our scheme remains

unchanged, and we will continue to receive advice and assistance from Ms Charlotte Ibbs who remains based at New Barn, Dewsall.

New directors

In May of this year, Jonathan Hines moved out of the area to open a branch of Architype in Edinburgh) In his place we welcomed Dr David Malins, a long-time resident of Callow and Dewsall, as the new third director of HCN, serving together with David Curtis and David Howell.



Herefordshire Community Networks CIC

18th December 2018

As of December 4th this year, we processed the retirement of David Curtis from your board, to be replaced by Mrs Vicki Murray of Dewsall Lodge. Vicki and her husband Paul have been both shareholders and users of the HCN network since its inception, and Vicki brings a wealth of community and business knowledge and expertise to the role.

New company secretary

David Bland, of Wansdyke Ltd, based in Newton St Loe near Bath, has acted as our company secretary since the inception of the company back on the 5th October 2015. In May this year, the directors agreed to him resigning from this role, appointing Sophie Glover as his replacement. Sophie brings a wealth of experience to the role, and — being based in Ridgehill — almost counts as a resident. Because of her role with the local Parish Council, she is well known to the majority of our investors and customers.

First line technical support

First line technical response has been provided by David Bland, without charge, since the inception of the network both during daytime hours and outside. Our network management system allows David to remotely oversee the network performance down to the level of individual devices connected in each property.

Backhaul, billing and second tier technical support

Fibre Options, which provided technical support for the installation of our network, provides our backhaul connection to the national broadband fibre spine. Pure Fibre, a sister company of Fibre Options, provides billing services and second tier technical support to HCN and its customers.

The cost of the backhaul, billing services and second tier-technical support provided by Fibre Options/ Pure Fibre is offset against the monthly subscriptions billed to customers and collected by Pure Fibre. Fibre Options/Pure Fibre break even on the current arrangements. Pure Fibre currently returns to us the £5 per month (inc VAT) surcharge for each connected customer, from which we bear our admin costs.

HCN has the option to bill its customers direct, retain a high proportion of the collections from service fees and pay all of the costs of backhaul and technical support directly. This may become a viable option in the future. The current arrangements with Fibre Options/Pure Fibre are due for review and possible re-negotiation by or before May 2019, and the directors of HCN will be considering all available options.

Insurance

We carry usual business insurance from Commercial Combined at a cost of £60.54 per month.



**"Season of mists and
mellow fruitfulness"**



Herefordshire Community Networks CIC

18th December 2018

Network performance 31/3/17 to 31/3/18

Overall our network has performed reliably, giving our customers uptime availability of >99.99%. We had no outages in each month of operation during this twelve-month period.

Several customers at different times had problems with power supplies into their own premises, and sometimes those of their neighbours. We are alerted to every such fault. Customers who wish to ensure that their router/hub and PC/phone equipment continue to work during such an outage can instal UPS equipment, which we are happy to recommend.

We have a total available bandwidth of 100 Mbps download plus 100 Mbps upload. Our peak times are evenings between approx. 6 pm and 11 and throughout the day on Saturday. Our total download peak bandwidth is 40 Mbps, very occasionally, with it normally falling below 30 Mbps. Our upload use rarely exceeds 10 Mbps. We could support three times the current level of usage without any additional bandwidth.

GDPR

Enhanced privacy regulations came into force in the United Kingdom on 25 May 2018, in compliance with the EU General Data Processing Regulation ("GDPR").

HCN CIC takes its privacy obligations towards customers very seriously, and has worked with its contractors to ensure that appropriate processes are in place to protect personal data.

The directors accordingly reviewed and updated the HCN Privacy Policy to take account of and comply with the GDPR and published the same on the website as of 25 May 2018.

HCN does not use its customer's private data for unsolicited marketing information and would not disclose this information to others for such purposes. HCN undertakes only to use the private information given by customers for the purposes of delivering the best possible full-fibre broadband services and to keep its customers informed about any network or service changes. HCN's revised privacy policy can be seen on our website.

Broadband Champions

We are indebted to our Broadband Champions, Dave Malins, Sally Sergeant and Angie Martin, who have done much of the HCN legwork around the parish, helping people to maximise their use and understanding of what our superfast broadband can provide.

Assistance to our neighbours in Ridgehill

HCN was pleased to give informal assistance to the Ridgehill Residents Community Network during the year, and congratulates them coming into commercial service in September 2018.





Herefordshire Community Networks CIC

18th December 2018

Shareholders

Your company currently has 38,915 shares in issue among a total of 26 shareholders. Individual shareholding vary from single shares for certain investors who are not users, up to 9,901 shares in the name of HRH The Prince of Wales. The majority of shareholders who are also users of the service now hold 1,100 shares each.

During the course of the financial year, additional shares were purchased — and SEIS tax relief forms approved — for a total of 2,500 Ordinary Shares valued at £1 each. The full shareholder list is on the public record at Companies House, and can be reached by [clicking here](#).

Recent changes (March 2018) to the EIS/SEIS schemes have introduced conditionality in the form of the 'Risk to Capital Condition'. This does not affect any existing tax reliefs already approved for investors in HCN. The risk to capital condition means that:

- HCN must use any additional monies specifically for growth and development
- The investment should be a risk to the investors' capital

HMRC have already challenged other altnets under this rule, though no determination has yet been made. As a result, your directors recommend caution in terms of any further investments in HCN from existing or new subscribers owing to the likelihood that tax relief may not be available..

Proposed expansion of the HCN network (as at December 2018)

Our current fibre network passes some 44 properties, of which approximately half are businesses or homeworkers. Not all of these properties currently take an internet connection from HCN. HCN currently provides 22 paying internet subscriptions, representing a total monthly billing of £1,075.00 excluding VAT.

Our scheme's designated area includes a further 60 properties (some 24 businesses and 36 homes) that are not yet subscribers.

A detailed proposal to invite further customer subscriptions from these properties, utilising financial support from the BDUK Gigabit Voucher Scheme, will be put to the shareholders of HCN at the Annual General meeting being held on 18 December 2018.

In July 2018, HCN entered into consultancy agreement with Wansdyke for David Bland's services to HCN in respect of the proposed expansion of the HCN network under the BDUK Gigabit Voucher Scheme. Any remuneration thereunder is conditional upon the granting of vouchers under that scheme.

Accounts

The company's annual accounts for the period 01/04/2017 to 31/03/2018 are attached.

On approval of the board, they will be filed at Companies House, along with a copy of this Annual Report and the CIC34 Community Interest Company Report.

Presented and approved by the Directors of HCN

David Howell/Dr David Malins/Ms Vicki Murray

18th December 2018

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CIC 34

Community Interest Company Report

For official use
(Please leave blank)

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*Please complete in
typescript, or in bold
black capitals.*

**Company Name in
full**

Herefordshire Community Networks CIC

Company Number

9809428

Year Ending

31st March 2018

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

A social audit report covering these points in detail is attached

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

The company has held regular meetings throughout the year with its shareholders, who are also its customers. In addition there has been regular correspondence by email, and many individual customer visits. Three local volunteer champions, Mrs Angie Martin, Dr David Malins and Mrs Sally Sergeant, make regular calls and visits to all stakeholders.

We have made changes to the way we operate as a result of feedback, and our shareholders indicate significant satisfaction in the services they receive.

We were honoured to be recognised by the EU and other community organisations in the UK for our approach to rural broadband provision, allowing our community to be in the forefront of fibre progress in the nation.

A social audit report covering these points in detail is attached

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

No remuneration of any form was received by the directors

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that “no transfer of assets other than for full consideration has been made” below.

No transfer of assets has been made whatsoever

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY

The original report
must be signed by a
director or secretary of
the company

Signed

Daniel Howell

Date

21/12/18

Office held (delete as appropriate) Director/~~Secretary~~

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

SARINE CILVER (CO SECRETARY)	
NEW BARN, DEWSALL, HEREFORD	
HR2 8DA	
Tel 01432 270499	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

The accounts and CIC34 **cannot** be filed online

(N.B. Please enclose a cheque for £15 payable to Companies House)