

Notes for claiming Income Tax relief and capital gains deferral relief

The issue of this certificate, which you should keep carefully, does not imply that we believe that you are entitled to claim any relief. Before making a claim to relief you should satisfy yourself that you are eligible for relief.

You may wish to claim

- **Income Tax relief** on the amount you subscribed for the shares, or
- **deferral relief**, which allows you to defer a chargeable gain which you have reinvested in these shares, or
- **both of these reliefs.**

You should normally make a claim for Income Tax relief on your tax return. But in some circumstances (explained in the notes later) you should use the claim form provided on page 3.

You must use the claim form on page 3 whenever you make a claim for deferral relief, whether or not this is submitted with the tax return.

Please note this form cannot be used to claim capital gains disposal relief. Capital gains disposal relief may be available on a disposal of shares for which Income Tax relief has been claimed and allowed and not withdrawn.

Rules for both reliefs

You are not eligible for either relief if:

- you subscribed for the shares as part of a scheme or arrangement aimed at avoiding tax
- you receive a loan which would not have been made, or would not have been made on the same terms, were it not for the investment in the shares
- you have an option under which you can sell the shares.

If any of the above should take place before the termination date shown on page 1, or if you dispose of any of the shares within that period, whether by way of sale, gift or exchange, then the Income Tax relief which you have obtained may need to be withdrawn or reduced, and any deferred gain will be revived (brought back into charge to Capital Gains Tax). A disposal of shares on or after the termination date will also cause any deferred gains to be revived.

Receipt of value

Any Income Tax relief you can get is restricted or withdrawn if you, or an associate of yours, have received value from the company or any person connected with it.

This applies if such value is received up to one year before the issue of the shares, and up to the termination date for those shares.

In the case of deferral relief, if you receive any value in the year before the issue of the shares you will not be entitled to deferral relief, and if you receive any value after the shares are issued (and before the termination date) any deferred gains will be revived. In certain circumstances value can be ignored if it is 'insignificant' or if it is restored in full to the person who provided it.

If any event occurs before the termination date which causes Income Tax relief to be withdrawn or reduced or which causes deferred gains to be revived you must report it to your HMRC office within 60 days. The termination date is shown on page 1.

Rules for Income Tax relief only

You are not eligible for relief if:

- you are, or have been, 'connected with the company' (see Sections 163, 166-167 and 170-171)
- you are disqualified as a previous owner of the company's trade (see Sections 232-233).

For tax years up to and including 2011-12, no relief is due if your subscriptions for shares in the company issued in the year total less than £500. And there is a limit on the **total** amount on which you can claim relief for any one tax year of:

- £1,000,000 from the tax year 2012-13 onwards
- £500,000 from the tax year 2008-09 to 2011-12
- £400,000 for the tax years 2006-07 and 2007-08
- £200,000 for the tax years 2004-05 and 2005-06.

The relief is normally due for the tax year (ending on 5 April) in which the shares are issued. (You can find the date of issue in Part 1 of this form). For shares issued from the tax year 2009-10 onwards you can if you wish claim relief as if some or all of the shares had been issued in the previous year. However, this is subject to the total amount of relief on which you can claim for any one year, as outlined above.

For years up to and including 2008-09 you can claim relief as if some of the shares had been issued in the previous year. For these earlier years, this applies only to shares issued between 6 April and 5 October inclusive in the year of issue; it is limited to half the number of shares issued to you, and relief on no more than £50,000 (£25,000 for tax years up to and including 2005-06) out of the total amount on which you are entitled to claim relief for the year can be allowed in this way.

Statutory references

Except where otherwise indicated, all statutory references in this form are to Part 5 of the Income Tax Act (ITA) 2007.

These notes are intended as general guidance only.

For detailed information please go to www.hmrc.gov.uk and look for *Enterprise Investment Scheme*.

Claim form

To: HM Revenue & Customs office

Individuals Tax Office

Investor tax reference

Individual Tax Number (UTR)

enter type of shares

(B) Ordinary Shares

See Page One "Description Of Shares"

National Insurance number

Individuals National Insurance Number

Shares in

Name Of Company In Which Invested

The claim(s) below relate to a subscription of

£ 4 7 5 0

enter number of shares

4,491

Reflected on Page 1 for "Amount Subscribed"

Date issued DD MM YYYY

0 5 0 4 2 0 1 3

Tax Year In Which Shares Were Issued

Claim to EIS Income Tax relief

Please read the notes on page 4 before deciding whether to complete this part of the form.

I wish relief to be allowed in my PAYE coding.

If Paying Tax Under PAYE

I am claiming relief for a year for which I have already sent in a tax return.

The amount on which I am claiming relief is

£

for the year ended 5 April 2 0 1 3 being the year in which the shares were issued.

The amount on which I am claiming relief is

£

for the year ended 5 April 2 0 1 2

being the previous year see page 2.

The Sum Of These Two Should Be Less Than or Equal To The Amount Subscribed

Carry Back

Claim to EIS deferral relief

Capital Gains Tax Deferral

Asset disposal of

Date of acquisition DD MM YYYY

Date of disposal

Chargeable gains before losses

£

Gain to be deferred

£

Asset disposal of

Date of acquisition DD MM YYYY

Date of disposal

Chargeable gains before losses

£

Gain to be deferred

£

Asset disposal of

Date of acquisition DD MM YYYY

Date of disposal

Chargeable gains before losses

£

Gain to be deferred

£

Declaration

I hold an EIS certificate for these shares authorised by HMRC office

SCEC Maidstone (As Shown On Page 1)

Company reference number

6 9 0 4 0 1 5 3 3 3

This Number Is Reflected On Page One under "HMRC Office Reference Number"

I claim relief as shown on page 3. The details given in this claim are correct to the best of my knowledge and belief.

Name (use capital letters)

Investors Name

Signature

Investors Signature

Full address (use capital letters)

Address Investors Address

Postcode

Date DD MM YYYY

□□ □□ □□□□

For official use only

Copy of this form sent to SCEC office which authorised the issue of the EIS3 certificate. See first box in the declaration above for the name of the SCEC office.

Initials

□□□□

Date

□□ □□ □□□□

OID

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Notes

Income Tax relief

If your shares were issued in the current tax year and you pay tax under PAYE, you can claim relief for that year now.

Fill in the claim form on page 3, then tear off this page and send it to your HMRC office.

Remember that if you are sent a tax return after the end of the year, you will also have to enter details of the claim on that return.

If you want to claim relief for a previous tax year for which you either did not receive a tax return, or you received a return and you have already sent it in, fill in the claim form on page 3, then tear off this page and send it to your HMRC office. If the claim is made in time it will be treated as amending the tax return.

In all other circumstances, you do not need to fill in this form, but:

- keep it carefully until you receive your tax return
- in the appropriate box on the tax return, enter the **total** subscriptions on which you are claiming relief
- in the large box reserved for 'additional information' at the end of the tax return, enter
 - the name of the company invested in
 - the amount of the subscription qualifying for relief
 - the date of issue of the shares
 - the name and reference number of the HMRC office authorising the issue of the certificate on page 1 of this form.

Deferral relief

If your chargeable gain accrues in the current tax year and the shares were issued either in the current tax year, or in a previous year, fill in the claim form provided and send it with your tax return to your HMRC office after the end of the tax year.

Remember that you will still need to enter the relevant chargeable gain(s) on page CG 1 and/or page CG 2 of the *Capital gains summary pages* (see the *Capital gains summary notes*).

If your chargeable gain accrued in a previous tax year, fill in the form provided and send it to your HMRC office with your tax return if not already submitted.

Again, remember to enter the chargeable gain(s) details on the appropriate *Capital gains summary page* if submitting your claim with a tax return.

Both Income Tax relief and deferral relief

If you wish to claim both Income Tax relief and deferral relief on the same acquisition of shares, follow the notes on Income Tax relief in the first instance. Keep a copy of your claim form for your deferral relief claim if it is to be sent at a later date in accordance with the notes on deferral relief.