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## Company Share Option Plan approved under Schedule 4 Income Tax (Earnings and Pensions) Act 2003.

### Year ended 5 April 2006.

You are required to complete this form and return it to me at the address below within three months of the date of issue shown above.

Explanatory notes are provided to help you complete this form. Please read these before completing the form and signing the declaration. If you have any questions about how to complete this form please contact ESSU at the address below or by telephoning the numbers shown.

#### **Janice Cross**

Employee Shares & Securities Unit (ESSU)  
Room G52  
100 Parliament Street  
London  
SW1A 2BQ

Telephone           **020 7147 2819 or 2843**

Fax                   **020 7147 2747**

### Penalties may be imposed

- **for any failure to give information required by this form within the prescribed time limit, or**
- **for the submission of an incomplete or inaccurate return.**

If there is not enough space in any part of the form please give further details on page 8 or on numbered supplementary sheets and attach them to the completed form when you send it in.

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## Notes to help you complete this form. Please read these before continuing.

### About this form

This form has been issued under Paragraph 33 Schedule 4 Income Tax (Earnings and Pensions) Act 2003. This enables an officer of HM Revenue & Customs (HMRC) to ask any person to give any information that he thinks is necessary in relation to the operation of the plan.

Under Paragraph 30(2)(b) Schedule 4 ITEPA 2003, HMRC can withdraw approval of the scheme because of the company's failure to give the information required.

Under Section 98(1) TMA 1970 penalties may be imposed if there is a failure to provide the information requested, or if that information is inaccurate or not provided within the required time limit.

### Notes for the company

Please do not include on this form details of share options granted or exercised under

- Unapproved schemes or arrangements (complete form 42)
- SAYE Option Schemes (complete form 34)
- Enterprise Management Incentives (complete form 40).

Do include all exercises of options and replacement options granted under the plan.

### Operation of PAYE and National Insurance contributions (NICs)

The employer is obliged to operate PAYE and NICs on all taxable amounts provided in the form of 'readily convertible assets'. A taxable gain arises when options are exercised within 3 years, or more than 10 years, from the date of grant. Options exercised in circumstances described in the notes on page 5 do not constitute taxable gains.

### Readily Convertible Assets (RCA's)

Securities (including shares) are readily convertible assets if

- the securities can be sold or otherwise realised on a recognised investment exchange, such as the London Stock Exchange, the New York Stock Exchange, etc, **or**
- trading arrangements are in place in respect of the securities at the time the taxable income is provided, **or**
- trading arrangements are likely to come into existence in accordance with arrangements or an understanding in place at the time the taxable income is provided.

*In all other cases, securities are deemed to be RCA's and subject to PAYE and NICs if securities are not shares for which the company is entitled to a Corporation Tax deduction by reason of Schedule 23 of the Finance Act 2003.*

### Cessation of plan

If this plan has ceased and there are no options still outstanding please tick the Yes box in Section 7.

### Changes to option or plan

If there has been an exchange of options, variation of share capital or an amendment to a key feature of the scheme you must provide details in Sections 2, 3 or 4.

You should have agreed with ESSU any exchange of options, variation of share capital or amendments to key features. If you did not do this provide an explanation on page 8.

### Further help

Further guidance on approved company share option plans in general can be found on our internet web pages at [www.hmrc.gov.uk/shareschemes](http://www.hmrc.gov.uk/shareschemes)

## Section 1 Options Granted

Complete this section if options were granted during the year ended 5 April 2006.

### Notes

Please provide the following details if options were granted during the year ended 5 April 2006.

If options were granted on more than one date during the year, or over more than one class of shares, please photocopy this page before you fill it in, and complete each separate page in the same format as shown below.

If the company is not fully listed on the London Stock Exchange Daily Official List or New York Stock Exchange, prior agreement to the market value of the shares over which options are granted must be obtained from HMRC Shares Valuation. Please send a copy of each agreement with this return when you send it in.

### Column 1.04

If the averaging method was used to determine the market value you should enter the earliest date used, otherwise leave blank.

### Column 1.05

If the market value in column 1.06 was arrived at by averaging the share price on more than one day, enter the number (2-5) of days over which prices were averaged. Otherwise enter 1.

### Column 1.07

Enter the appropriate letter of how market value was determined by

- A** reference to London Stock Exchange
- B** reference to New York Stock Exchange
- C** reference to Shares Valuation.

If none of the above leave blank.

### Column 1.08

If non-UK shares were used enter the exercise price and indicate the currency in which the shares are denominated. For UK shares leave blank.

### Column 1.09

- **For UK shares** enter the exercise price in pounds sterling.
- **For non-UK shares** you must convert the exercise price shown in column 1.08 to pounds sterling using the exchange rate prevailing at the date of grant.

### Column 1.14

It is not possible to grant options with an aggregate market value in excess of £30,000 (including the market value of all other approved CSOP options held by the employee) under an approved plan of the company or any associated company. If you have answered 'Yes' provide a written explanation of how this has arisen on page 8, giving names and National Insurance numbers of all individuals concerned and the amounts.

1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15
Company Registration Number (CRN) of company over whose shares options were granted (if non-UK company leave blank)	Date of grant	Nominal value and class of shares	First date used to determine market value	Number of days used to determine market value	Market value used to determine exercise price	How was market value determined?	Exercise price (if not in sterling state currency used)	Exercise price per share £	Largest value of options granted to one individual	Number of individuals granted the largest value of options	Total number of options granted	Number of individuals granted options	Have any options been granted in excess of £30,000? (Yes/No)	Number of individuals granted options in excess of £30,000

## Section 2 Exchange of Options

Complete this section if the company has been taken over and existing options have been exchanged for new options over the acquiring company's shares in accordance with the scheme rules.

2.01 Name of company over whose shares replacement options have been granted	2.02 Company Registration Number (CRN) of new company (if non-uk company leave blank)	2.03 Date new options granted	2.04 Nominal value and class of new shares	2.05 Exercise price of new options	2.06 Total number of shares for which replacement options granted during this year

## Section 3 Variations of Share Capital

3.01 Have there been any variations of share capital? (Yes/No)	3.02 Were changes made to the exercise price or number of shares as a result of any of these variations? (Yes/No)	3.03 Was variation agreed with Employee Shares and Securities Unit? (Yes/No)

## Section 4 Amendments to Scheme Rules

### Notes Column 4.02

A key feature is a provision of the scheme which is necessary to meet the requirements of Schedule 4 Income Tax (Earnings and Pensions) Act 2003.

4.01 Have any amendments been made to the scheme rules? (Yes/No)	4.02 Were these amendments to a key feature of the scheme? (Yes/No)	4.03 Were these amendments approved by Employee Shares and Securities Unit? (Yes/No)

## Section 5 Exercise of Options and Replacement Options

### Notes

#### Column 5.12

To qualify for tax relief an option must be exercised at a time when the plan is approved and exercise occurs for one of the following reasons:

- A** Option exercised within 6 months of cessation for injury and less than 3 years from grant
- B** Option exercised within 6 months of cessation for disability and less than 3 years from grant
- C** Option exercised within 6 months of cessation for redundancy and less than 3 years from grant
- D** Option exercised within 6 months of cessation for retirement at the specified age and less than 3 years from grant

**E** Option exercised within 12 months of death and less than 3 years from grant

**F** Option exercised between 3 and 10 years after the date of grant.

#### Column 5.13

If you entered Yes in column 5.12, indicate the reason for exercise from the list , A, B, C, D, E or F.

#### Column 5.14

If exercise did not qualify for tax relief, enter yes or no to show whether PAYE was operated. If PAYE was not operated, explain why on page 8 of this return. If tax is due in respect of the acquisition you must say whether or not PAYE has been operated. If no tax is due then leave blank.

5.01	5.02	5.03	5.04	5.05	5.06	5.07	5.08	5.09
Name of employee	National Insurance number	Employer	PAYE reference	Date of original grant of option	Date shares were acquired on exercise of options	Number of shares acquired	Has option been exercised in full? (Yes/No)	Number of shares that remain under option from this grant
5.10	5.11	5.12	5.13	5.14	5.15	5.16	5.17	5.18
Exercise price per share	Market value of a share on the date shares were acquired	Does this exercise qualify for tax relief? (Yes/No)	Reason why exercise qualifies for tax relief	Has PAYE been operated? (Yes/No)	Amount of employer's National Insurance contributions (NICs) paid with NICs election	Amount of employer's National Insurance contributions (NICs) paid with NICs agreement	Date NICs was paid by employee	Date NICs was paid over to HM Revenue & Customs

## Section 6 Summary of Activity for the year ended 5 April 2006

6.01	6.02	6.03	6.04	6.05	6.06	6.07	6.08	6.09	6.10
Number of shares over which options remained at start of the tax year	Number of shares over which options (not including replacement options) were granted during the tax year	Number of directors and employees to whom options (not including replacement options) were granted during the tax year	Number of shares issued or transferred on the exercise of options (including replacement options during the tax year )	Number of shares over which options (including replacement options) lapsed or were cancelled during the tax year	Number of shares over which options were exchanged during the tax year	Number of shares over which options (including replacement options) remained at the end of the tax year	Number of participants who exercised options (including replacement options) during the tax year	Number of directors and employees who held options (including replacement options) at the end of the tax year	If shares are listed on any recognised exchange the market value on last date options were exercised during the year

## Section 7 Cessation of plan

**Note**

A scheme has ceased if no options remain and no new options can be granted.  
Has the scheme ceased?

Yes  No

## Section 8 Change in Participating Companies

### Section 8a Additional participating companies

8.01	8.02	8.03	8.04
Company name	Corporation Tax reference	PAYE reference	Date company became a participating company

### Section 8b Companies that ceased to be participating companies

8.05	8.06	8.07	8.08	8.09
Company name	Corporation Tax reference	PAYE reference	Date company ceased being a participating company	At date of cessation did the company employ any participants in the scheme (Yes/No)?

## Section 9 Declaration

**Note** The Taxes Acts require that the Company Secretary or the person acting as the Company Secretary should complete the declaration. If a liquidator has been appointed he should complete the declaration. (S108(1) and (3) TMA 1970).

To the best of my knowledge and belief

- the information I have given on this return (and on any supplementary sheets) is correct and complete
- unless otherwise stated the options were granted, exercised and shares were issued or transferred under the terms of the scheme which at the time was approved by HMRC.

**Name** (use CAPITAL LETTERS)

**Signature**

**Position in company**

**Date**

D	D	M	M	Y	Y	Y	Y
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**Telephone**

**Email**

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## Further information