



3 The issued share capital of the company immediately after the issue of the shares shown at 1 was

Description of shares and nominal value of each share	Total number of issued shares

4 The loan capital (see Note 11) of the company immediately after the issue of the shares shown at 1 was

Name of holder or lender	Nature of loan capital	Amount (£)

5 The subscribers listed at 1 also held the following share capital in the company on the date given at 1

Name of holder	Description of each class of share held and nominal value of each share	Total number of shares held

6 There have been the following changes to the company's issued share capital and loan capital since the issue of the shares listed at 1

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7 In the period beginning one year before the date shown at 1 and ending on the date of the Declaration on page 3, value has been received because the company, or another company that was a 51% subsidiary (see Note 13) at any time in that period, has made a repayment (see Note 7) in respect of share capital as shown below

Date	Name of holder of shares (and name of subsidiary involved, if applicable)	Amount paid (£)

8 In the period beginning one year before the date shown at 1 and ending on the date of the Declaration on page 3, value has otherwise been received (see Note 12) by persons from the company or any person connected with the company as shown below

Date	Name of person receiving value	Nature of value received	Amount of value received (£)

9 The following companies have either been 51% subsidiaries of (see Note 13), or have otherwise been controlled by (see Note 8), the company at any time beginning from the date shown at 1

Date it became a subsidiary or otherwise under control	Name of company	Nature of business

## Declaration

### I declare that:

- the trade (or research or development) mentioned at **2A** has been carried on for four months (or, if not, was carried on until the date when the company commenced winding up) (*see Note 10*)
- the shares listed at **1** were issued wholly for cash and were fully paid up by the time they were issued
- they are ordinary shares (*see Note 13*) which, at no time since they were issued, have carried any preferential right to dividends or to the company's assets on a winding up, or any right to be redeemed
- they were issued for genuine commercial purposes and not as part of a scheme or arrangement, a main purpose of which was the avoidance of tax
- there are no arrangements relating to the shares listed at **1** that are within Section 177 or paragraph 11, Schedule 5B, TCGA 1992
- the money raised by the issue of the shares listed at **1** has been, or will be, employed for the purpose of the business activity mentioned at **2A**
- for shares issued on or after 22 April 2009, the money raised by the issue of the shares listed at **1** has been or will be, employed within the two-year time period specified in Section 175(3) ITA 2007 and/or paragraph 1(2)(g), Schedule 5B TCGA 1992
- for shares issued before 22 April 2009, 80% of the money raised, and any money raised by the issue of other shares of the same class on the same day, has been or will be used within 12 months of the date of issue of those shares and any money remaining within the following 12 months
- immediately before the issue of the shares listed at **1** the value of the gross assets of the company and its subsidiaries did not exceed £7m and immediately after the issue that value did not exceed £8m (*see Note 13*).
- for shares at **1** issued on or after 19 July 2007 the company and its subsidiaries had fewer than 50 full-time equivalent employees at the time the shares were issued (*see Note 5*)
- at the date shown at **1** the company was an unquoted company (*see Note 13*) and there were no arrangements in existence for it to cease to be an unquoted company
- from the date shown at **1** to the date of this Declaration

- (or, if the company is now in liquidation, to the date when the winding up commenced (*see Note 10*))
- for shares issued before 6 April 2011, the business activity mentioned at **2A** has been carried on wholly or mainly in the United Kingdom, or
  - for shares issued on or after 6 April 2011, the company issuing the shares has a permanent establishment in the United Kingdom, and
  - the company has, at all times throughout that period, **either** existed for the purpose given in Section 181(2)(a) or been the parent company of a trading group, and
  - the requirements of Section 181 have been met
- the company has not controlled (*see Note 8*) another company which is not a 51% (*see Note 13*) subsidiary of the company
  - from the date shown at **1** to the date of this Declaration the company has not been
    - a 51% subsidiary (*see Note 13*), or
    - otherwise controlled (*see Note 9*) by another company (or by another company and any person connected with that other company)
  - the company intends that all the conditions of the scheme relating to the company and the shares listed at **1** will continue to be satisfied until three years after the date shown at **1** or, where the money was raised for the purposes of a trade commenced later, three years after the date of commencement (*see Note 14*)
  - to the best of the company's knowledge and belief the information given on this form is correct.

Name *use capital letters*

Signature (*see Note 3*)

Date *DD MM YYYY*

### For HM Revenue & Customs use only

A copy of this form has been sent to KAI

Name/initials

Date *DD MM YYYY*

## Notes

Statutory references in this form are to Chapters 2, 3, 4 and 6 of Part 5 Income Tax Act 2007, except where otherwise indicated. References to TCGA 1992 are to the Taxation of Chargeable Gains Act 1992, and references to ICTA 1988 are to the Income and Corporation Taxes Act 1988. Where the statutory references are to the Income Tax Act 2007, for shares issued before 6 April 2007 the correct statutory reference would be to ICTA 1988. Those references are not shown here. The substance and effect of the legislation is the same in both Acts.

- 1 If the company's tax affairs are already dealt with at an office of the Small Company Enterprise Centre, please send this form to that office and quote their reference number. Otherwise, please send it to:  
Small Company Enterprise Centre (Admin)  
Ferrers House  
Castle Meadow Road  
Nottingham  
NG2 1BB  
and in a covering letter state the name and reference number of the HM Revenue & Customs office which currently deals with the company.
- 2 This form should not be submitted until the trade itself (or the research and development if that is the qualifying business activity) mentioned at **2A** has been carried on for four months, unless the company has commenced winding up (see *Note 10*). But it must be submitted within:
  - two years after the completion of that four-month period, or
  - two years after the end of the tax year in which the shares were issued, **whichever is later**.
- 3 This form may be signed by the secretary of the company issuing the shares or any person authorised by the company or if appropriate, a liquidator, administrator or receiver. If a company makes a false statement it is liable to a penalty not exceeding £3,000.
- 4 Finance Act 2007 introduced a limit on the amounts companies can raise under the three venture capital schemes - the Enterprise Investment Scheme (EIS), the Corporate Venturing Scheme (CVS) and Venture Capital Trusts (VCTs) - to £2m in any 12-month period.  
If any issue of shares entered on this or any other statement breaks that limit, then none of the subscribers will be eligible for relief on the cost of their shares, and consequently no forms EIS3 will be provided to the company in respect of that issue.  
Please note that shares issued before 19 July 2007, and any shares issued on or after 19 July 2007 to the managers of an Approved EIS Fund which closed before 19 July 2007, do not count towards the total. Nor does any form of investment by a VCT made before 6 April 2007, or an investment by a VCT of 'protected money' after 6 April 2007 (a VCT will inform the company if the investment is of protected money or not).
- 5 Employees include directors, but apprentices, students on vocational training, and staff on maternity or paternity leave at the time the shares were issued should not be counted. Where a company has part-time workers it can use any method which is just and reasonable in arriving at a full-time equivalent number.
- 6 The date when shares are issued is the date when the subscriber's title to them becomes complete. This cannot be before the date when the ownership of the shares is recorded in the company's Register of Members.  
Where certificates are requested in respect of shares issued on different dates or shares of a different class, a separate form EIS1 must be supplied in respect of each date or class.  
Where the shares are registered in the name of someone other than the subscriber please also state the name and address of that person.
- 7 Repayment in **7** refers to the company repaying, redeeming or repurchasing share capital or making a payment in respect of the cancellation or extinguishment of share capital.
- 8 Control **by** the company, where this note applies, includes where it controls another company together with any person connected with it (Section 993). The meaning of 'control' is as set out in Section 416(2) to (6) ICTA 1988.
- 9 Control **of** the company, where this note applies, has the meaning set out in Section 840 ICTA 1988 in accordance with Section 185.
- 10 References in this form to the date when the company commenced winding up include references to the date when the company entered administration or receivership, or a liquidator was appointed.
- 11 Loan capital for this purpose includes the items at Section 170(8) except a bank overdraft as in Section 170(10). Where the holder or lender is known to be a nominee, this fact should be stated. If known, the name and address of the beneficial owner of the loan capital should be stated.
- 12 The circumstances in which value is received by a person, and how the amount of that value is computed, are as set out in Sections 213-231 and in paragraphs 13-13C and 14-14A, Schedule 5B, TCGA 1992. 'Insignificant' amounts must be included. If replacement value has been received, supply details in a covering letter.
- 13 For the meaning of:
  - ordinary shares, shares forming part of ordinary share capital - see Section 832(1) ICTA 1988
  - 51% subsidiary - see Section 838 ICTA 1988
  - gross assets - see Statement of Practice 2/06
  - person connected with - see Sections 257(2) and 993
  - unquoted company - see Section 184
  - qualifying 90% subsidiary - see Section 190
  - termination date - see Section 256 and paragraph 19(1), Schedule 5B, TCGA 1992.
- 14 The company is obliged to notify the Inspector within 60 days if any event occurs before the termination date (see *Note 13*) relating to the shares as a result of which the Declaration on page 3 could no longer be made. (Section 241 and paragraph 16, Schedule 5B, TCGA 1992.)