

<i>Date issued</i>	<i>My reference</i>

**SAYE Option Scheme approved under Schedule 3 Income Tax (Earnings and Pensions) Act 2003**

**Year ended 5 April 2005**

You are required to complete this form and return it to me at the address below within **3 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 IR Share Schemes at the address below or by telephoning the numbers shown.

**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 supplementary sheets, number them, and attach them to the completed form when you send it in.

**Janice Cross**

IR Share Schemes  
Room G52  
1 Parliament Street  
London  
SW1A 2BQ

Telephone **020 7147 2819** or **2843**  
Fax **020 7147 2747**

## About this form

This form has been issued under Paragraph 45 Schedule 3 Income Tax (Earnings and Pensions) Act 2003. This enables the Board of Inland Revenue to ask any person to give any information that the Board thinks is necessary.

Under Section 98(1) TMA 1970 (as amended by Paragraph 32(2) Part 2 Schedule 6 ITEPA 2003) the Board can start proceedings for penalties if there is a failure to provide the information requested, or if that information is inaccurate or not provided within the required time limit.

Under Paragraph 42(2)(b) Schedule 3 ITEPA 2003 the Board can withdraw approval of the scheme because of the company's failure to give the information required.

## Notes for the company

If the company is listed on any investment exchange **other than** the Daily Official List of the London Stock Exchange or the New York Stock Exchange prior agreement with IR Shares Valuation is required for the market valuation of shares on grant.

Where there is to be a variation of share capital you should contact IR Share Schemes before the variation takes place.

If the Plan has ceased and there are no options still outstanding please tick Box F on page 8.

## Unapproved schemes

This return form relates to a SAYE option scheme that has been approved by the Inland Revenue.

**You must not include details of share options or share awards on this return from schemes that have not been approved by IR Share Schemes.**

If you operate any unapproved share option or share award schemes you must provide information about each scheme each year to this office on form 42.

This includes full details about options over shares or securities, which, during the year were either

- granted to employees or directors
- exercised, or
- assigned or cancelled, in connection with which the option holder received any benefit (in money or money's worth).

The information must be given within 3 months of 5 April each year.

Further details of the information that a company must give about an unapproved share option scheme are set out in Paragraph 421J ITEPA 2003.

## Individual reporting requirements

Please note that even though the grant or exercise of an option is included on this return the individual participant must still declare the transaction on his or her personal Tax Return where taxable income arises.

## Further help

Further guidance on how to complete this return and on SAYE option schemes in general can be found on our internet web pages at [www.inlandrevenue.gov.uk/shareschemes](http://www.inlandrevenue.gov.uk/shareschemes) or in our booklet *IR98 Approved SAYE share option schemes*, which can be obtained by calling our Orderline on **0845 9000 404** between 8:00am and 10:00pm, seven days a week (except Christmas Day).

# 1 Options granted

Please read the notes before completing this section.

## Notes

Complete this page if options were granted during the year ended 5 April 2005.

If options were granted on more than three dates during the year or over more than one class of share please photocopy this page before you fill it in and complete a separate page for each date or class. Attach the completed sheets to this return when you send it in.

If the company is not fully listed on the London Stock Exchange Daily Official List or The New York Stock Exchange prior agreement to the market value of the shares granted must be obtained from Inland Revenue Shares Valuation. Please send a copy of each agreement with this return. **If agreement was not obtained please send with the return full details of how the market value used was arrived at.**

### A Complete one of the columns below for each date on which options were granted under the scheme during the year.

1 a The name of the company over whose shares the options were granted	ABC Ltd			
b The company registration number	123456			
c The nominal value and class of shares	10p Ord A			
2 The date of grant (which in all cases is earlier than the date the Savings Contract started)	10/10/04			
3 The date on which market value was taken for the purpose of determining the price at which options may be exercised.  If the difference between this date and the date in Box 2 is greater than 30 days (or 42 if the 'Yes' box in B below is ticked) please provide an explanation and submit it with this return	09/10/04			
4 The market value of a share on the date in box 3 above	£2			
5 Please put a tick in one of the boxes to show the source of the valuation in 4 above <ul style="list-style-type: none"> <li>By reference to the London Stock Exchange Daily Official List or the New York Stock Exchange, or</li> <li>By agreement with Inland Revenue Shares Valuation.</li> </ul> If you are unable to tick either box, please provide a written explanation of how the valuation was arrived at, and attach it to this return	<input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
6 The price at which options may be exercised	£1.60			

B Were applications scaled down because employees applied for options over a greater number of shares than were available? (✓ as appropriate) Yes  No

If options were granted during the year, you must complete Box D on page 8.

## 2 Exchange of options

Please read the notes before completing this section.

### Notes

You must provide the following details if the company has been taken over and existing options have been exchanged for a new option over the acquiring company's shares under one of the following circumstances

- if the acquiring company obtained control of a company as a result of making a general offer,
  - (i) to acquire the whole of the issued ordinary share capital of the company which is made on the condition that if it is satisfied the person making the offer will have control of the company, or
  - (ii) to acquire all the shares in the company which are of the same class as the scheme shares, or
- obtains control of a company in pursuance of a compromise or arrangement sanctioned by the court under Section 425 of the Companies Act 1985 or Article 418 of the Companies (Northern Ireland) Order 1986, or
- becomes bound or entitled to acquire shares in a company under Sections 428 to 430 of that Act or Articles 421 to 423 of that Order.

**If the basis of the exchange was not agreed with IR Share Schemes please provide a written explanation and attach it to this return, together with copies of all relevant documentation.**

Name of company over whose shares replacement options were granted

The date of grant of replacement options

The nominal value and class of share over which replacement options were granted

The price per share at which replacement options may be exercised

## 3 Variations of share capital

- Give details of any variations made to the exercise price per share and/or the number of shares included in options that have been made to take account of any variation in the ordinary share capital of which the Scheme shares form part.

- If the variation has been agreed with IR Share Schemes, tick the box

## 4 Amendments to Scheme Rules

- Give details of any amendments made to the Scheme Rules, detailing under which Scheme Rule these amendments were made.

- If the amendment has been agreed with IR Share Schemes, tick the box

## 5 Options exercised and chargeable to income tax

Please read the notes before completing this section.

### Notes

If the date of exercise was within three years of the date of grant you must provide details of options exercised in any of the following circumstances. Where this has happened please tick the relevant box in Part A below and give the information for each individual who exercised an option in Part B. Enter the appropriate box number from Part A in column 8 of Part B for each individual exercise.

It is important that you **only** give details of options exercised for one of the four reasons shown in Part A. Any other details or incomplete details may result in unnecessary enquiries. If you are unsure if an option was exercised for one of the reasons shown below then please contact IR Share Schemes before completing the return.

- A**
- 1 A person gaining control of the company (a takeover) following a general offer to acquire the whole of one or more classes of the company's shares or a person becoming bound or entitled to acquire shares in the company under Sections 428 or 429 Companies Act 1985.
- 2 The amalgamation or reconstruction of the company under a scheme sanctioned by the court.
- 3 A resolution being passed for the winding up of the company.
- 4 The sale out of the group of the company for which the option holder worked.

### B

Name and National Insurance number of participant	Name and PAYE reference of employer	Date option granted	Date option exercised	Exercise price paid per share	Number of shares acquired	Market value of a share on date of exercise	Reason for exercise (see above)
1	2	3	4	5	6	7	8
<i>Mr Smith AB123456C</i>	<i>ABC Ltd 001/A1</i>	<i>10/10/02</i>	<i>10/09/04</i>	<i>£1.34</i>	<i>500</i>	<i>£2.00</i>	<i>4</i>
<b>Total</b>					<b>Total</b>		

## 6 Replacement options exercised and chargeable to income tax

Please read the notes before completing this section

### Notes

If the date of exercise was within three years of the date of grant you must provide details of options exercised in any of the following circumstances. Where this has happened please tick the relevant box in Part A below and give the information for each individual who exercised an option in Part B. Enter the appropriate box number from Part A in column 8 of Part B for each individual exercise.

It is important that you **only** give details of options exercised for one of the four reasons shown in Part A. Any other details or incomplete details may result in unnecessary enquiries. If you are unsure if an option was exercised for one of the reasons shown below then please contact IR Share Schemes before completing the return.

- A**
- 1 A person gaining control of the company (a takeover) following a general offer to acquire the whole of one or more classes of the company's shares or a person becoming bound or entitled to acquire shares in the company under Sections 428 or 429 Companies Act 1985.
  - 2 The amalgamation or reconstruction of the company under a scheme sanctioned by the court.
  - 3 A resolution being passed for the winding up of the company.
  - 4 The sale out of the group of the company for which the option holder worked.

### B

Name and National Insurance number of participant	Name and PAYE reference of employer	Date option granted	Date option exercised	Exercise price paid per share	Number of shares acquired	Market value on date of exercise	Reason for exercise (see above)
1	2	3	4	5	6	7	8
<i>Mr Jones X4654321Z</i>	<i>X4X Ltd 002/X9</i>	<i>10/10/02</i>	<i>10/09/04</i>	<i>£1.68</i>	<i>2000</i>	<i>£1.30</i>	<i>1</i>
<b>Total</b>					<b>Total</b>		

## 7 Participating companies

Please give the following information (continue on a separate sheet if necessary) for each company that

### A Became a participating company during the year

Name of company

Registered office address

<input type="text"/>
<input type="text"/>
<input type="text"/>
Postcode

Date the company became a participating company

 /  / 

Company's corporation tax office reference

Company's PAYE reference

### B Ceased to be a participating company during the year

Name of company

Registered office address

<input type="text"/>
<input type="text"/>
<input type="text"/>
Postcode

Date the company ceased to be a participating company

 /  / 

Company's corporation tax office reference

Company's PAYE reference

C If any company has ceased to be a participating company did it, at the time it ceased, employ any persons eligible to take part in the scheme? (*✓ as appropriate*) Yes  No

## 8 Summary

For this approved Plan, please state

### A Option Holders

The total number of directors and employees to whom options were granted during this year

The number of contracts entered into during the year which include

1 The 7-year bonus

2 The 5-year bonus

3 The 3-year bonus

4 No bonus

The number of participants who, during this year, exercised options under this scheme

The number of participants who, during this year, exercised replacement options under this scheme

The number of participants who, during this year, ceased to take part in this scheme

## Summary continued

### B Savings Contributions

The highest amount of monthly savings contributions being paid by any one participant in respect of an option(s) granted under this scheme. **(This amount relates to a payment made during the year to 5 April 2005 under this scheme)**

The number of participants who did or who are paying this amount during the year to 5 April 2005

### C Market Value

If the scheme shares are listed on any recognised exchange or traded on the AIM or NASDAQ, please state the Market Value for the latest date of exercise (shown in columns 7 on pages 5 and 6)

### D Options granted *(please give a separate figure for each class of share)*

Options

Replacement  
Options

The number of shares over which options were granted during this year

### E Options exercised

The number of shares issued or transferred on the exercise of options and replacement options during the year

The total amount paid by the participant for the acquisition of those shares

£

£

### F Plan ceased

If no options remain and no new options can be granted under the Plan, please confirm that the Plan has ceased by ticking this box

## 9 Declaration

**Note** The Taxes Acts require that the Company Secretary or the person acting as Company Secretary or any other person authorised by the company should complete the declaration. If a Liquidator has been appointed they 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 the supplementary sheets numbered  to )\* is correct and complete  
*\* delete as appropriate*
- unless otherwise stated the options were granted, exercised and shares were issued or transferred under the terms of the scheme which at that time was approved by the Board of Inland Revenue.

Signature

Date

Name *in CAPITAL LETTERS*

Position in Company

Telephone

Fax