

Date issued *DD MM YYYY*

PAYE reference number

 /

ESSU scheme reference number

 X /

CSOP Scheme approved under Schedule 4 Income Tax (Earnings and Pensions) Act 2003.

Year ended 5 April 2009

You are required by law to send me a form 35 giving me information about the operation of the scheme.

You must make sure that your form 35 reaches me by the date specified in the form 35 notice issued to you.

If this form was otherwise issued to you, then you should return the form within three months from the date of issue, shown above.

Penalties may be chargeable where your form 35 is received late or is incomplete or inaccurate.

Explanatory notes are provided to help you complete this form. Please read them before completing this form and signing the declaration. If you have any questions about how to complete this form please contact the Employee Shares and Securities Unit at the address aside or phone us on one of the numbers shown.

If there is not enough space in any part of this form, please give further details on supplementary sheets, number and attach them to the completed form when you send it to me.

If there have been no reportable events during the year you can go direct to section 9 and sign the declaration.

You should send the completed form to the address below.

Colin Gibson

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

Phone **020 7147 2853** or **2819**

Fax **020 7147 2747**

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

About this form

Paragraph 33 Schedule 4 Income Tax (Earnings and Pensions) Act 2003 enables an officer of HM Revenue & Customs (HMRC) to ask any person to give any information that is considered necessary in relation to the operation of the scheme. This form is provided for that purpose.

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

This form should only be used to return details of options granted or exercised under this scheme. 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).

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 three years, or more than 10 years, from the date of grant. Options exercised in circumstances described in the notes on page 4 (column 27) do not constitute taxable gains.

Readily Convertible Assets (RCAs)

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, 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 RCAs 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.

NIC election

Where the employee and his employer have jointly elected that the employee will meet some, or all, of any secondary (employers') NICs due, then the amount paid by the employee should be entered in the column headed NICs election (column 30).

NIC agreement

Where the employee has entered into an agreement with his employer to meet some, or all, of any secondary (employers') NICs due then the amount paid should be entered in the column headed NICs agreement (column 31).

Cessation of the scheme

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

Provision of additional scheme information

Normally, you will have notified Employee Share & Securities Unit (ESSU) of any changes under these sections (2, 3, 4 & 8) during the year and we **do not** require you to provide that information again on this form. The amount of information that you need to provide in other sections has also been reduced. The relevant section notes on the form give further details.

Further help

Further guidance on approved company share option plans in general can be found on our internet web pages, go to www.hmrc.gov.uk/shareschemes

1 Options granted

Complete this section if options were granted during the year ended 5 April 2009. You do not need to provide the information in columns 3 - 5, 14 and 15.

Notes

Please provide the following details if options were granted during the year ended 5 April 2009.

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, New York Stock Exchange or other recognised stock exchange (excluding AIM) then prior agreement to the market value of the shares over which options are granted must be obtained from HMRC Shares & Assets Valuation.

Column 7

Enter the appropriate letter to show how market value was determined:

- A** by reference to London Stock Exchange
- B** by reference to New York Stock Exchange or any other recognised stock exchange (excluding AIM)
- C** by reference to Shares & Assets Valuation.

If none of the above, leave blank.

Column 8

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 9

- **For UK shares** enter the exercise price in pounds sterling.
- **For non-UK shares** you must convert the exercise price shown in column 8 to pounds sterling using the exchange rate applicable at the date of grant.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	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

2 Exchange of options

Note - You should have already provided ESSU with details of any exchange of options and you do not need to provide those details again.

4 Amendments to scheme rules

Note - You should have already provided ESSU with details of any amendments to scheme rules and you do not need to provide those details again.

3 Variations of share capital

Note - You should have already provided ESSU with details of any variations of share capital and you do not need to provide those details again.

5 Exercise of options and replacement options

You do not need to provide the information in columns 23 and 24.

Notes

A report is **only** required when options (including replacement options) are exercised:

- for reasons that qualify for tax relief (see notes to column 27), or
- within 3 years of grant for reasons that **do not** qualify for tax relief (see notes to column 27), or
- between 3 and 10 years after the date of grant and exercise has occurred at a time when the scheme is no longer approved, or
- more than 10 years after the date of grant.

A report is **not** required when options (including replacement options) are exercised between 3 and 10 years from grant at a time when the scheme

remains approved.

Column 27

To qualify for tax relief an option must be exercised at a time when the scheme 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 on or after the age specified in the scheme and less than 3 years from grant.

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

Column 28

If you entered 'Yes' in column 27, indicate the reason for exercise from the list, A, B, C, D, or E.

Column 29

If exercise did not qualify for tax relief, enter 'Yes' or 'No' to show whether PAYE was operated. If no tax is due then leave blank.

Column 30 - 33

An entry is only required in these columns if either a NIC election or agreement has been entered into for the employee to meet some or all of the employer's liability to NIC (see notes on page 2).

16	17	18	19	20	21	22	23	24
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
25	26	27	28	29	30	31	32	33
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

6 Summary of activity for the year ended 5 April 2009

Note - You do not need to provide the information in columns 34, 36, 38 - 40, 42 and 43. The only information that you need to provide is that for columns 35, 37 and 41.

34	35	36	37	38	39	40	41	42	43
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

7 Cessation of scheme

Note

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

Has the scheme ceased?

Yes No

8 Change in constituent (participating) companies

Note - You should have already provided ESSU with details of any changes to constituent (participating) companies and you do not need to provide those details again.

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 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 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)*

Position in company

Phone

Signature

Date *DD MM YYYY*

Email