



Enterprise Investment Scheme Compliance Statement

Please read the notes before filling in this form. If there is not enough room in any of the spaces on this form, please give the details on a separate sheet. Refer to this in the relevant space. Use capital letters to fill in this form.

Company details

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Postcode

1 Share issue details

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The following subscribers have asked the company to issue certificates on forms EIS3 for shares which it issued to them (read note 6). Only enter details of investors who have indicated they will be claiming EIS relief. Including other investors could unnecessarily restrict the company's ability to raise money under the venture capital schemes in the future (read note 4).

Full name and address of the subscribers	Description of shares and nominal value of each share	Number of shares issued	Amount subscribed (£)
Totals			£

2 Qualifying business activity

2A All the shares listed at 1 were issued to raise money for:

a trade, or preparation for the trade, shown below

or

research and development intended to lead to the trade shown below

Enter details of trade here

2B The trade, or the research and development intended to lead to a trade, started on DD MM YYYY

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2C The trade, or the research and development intended to lead to a trade, is carried on by:

the company itself

or

a qualifying 90% subsidiary company
(read note 13)

Name of the subsidiary company

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 (read 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

- 7 In the period beginning 1 year before the date shown at 1 and ending on the date of the declaration on page 4, value has been received because the company, or another company that was a 51% subsidiary (read note 13) at any time in that period, has made a repayment (read note 7) for 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 1 year before the date shown at 1 and ending on the date of the declaration on page 4, value has otherwise been received (read 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 (read note 13), or have otherwise been controlled by (read note 8), the company at any time beginning from the date shown at 1

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

- 10 The company has issued the following shares under the Seed Enterprise Investment Scheme (SEIS), and by the date of issue of the shares listed at 1 above, had spent the percentage shown below

Date shares issued under SEIS	Amount raised by SEIS issue	Percentage spent of money raised by SEIS issue

- 11 Investments made under EIS constitute State aid in line with the principles laid down in Community Guidelines on Risk Capital Investments in Small and Medium-sized Enterprises. The maximum aid a company can receive annually is restricted to £5 million (read note 15). Details of any such aid received in the 12 months prior to the issue of the shares should be given below

Type of aid received	Amount received	Date received

Declaration

I declare that:

- the trade (or research or development) mentioned at **2A** has been carried on for 4 months (or, if not, was carried on until the date when the company started winding up) (read 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 (read note 13) which, at no time since they were issued, have carried any preferential right to the company's assets on a winding up or any right to be redeemed, and which meet the requirements of the EIS in about restrictions on preferential rights to dividends (read note 13)
- 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
- for shares issued on or after 6 April 2012, there are no arrangements about the shares listed at **1** that are within Section 178A ITA or Paragraph 11A Schedule 5B TCGA 1992
- the money raised by the issue of shares listed at **1** has been, or will be, employed for the business activity mentioned at **2A**
- for shares issued on or after 22 April 2009, the money raised by the issue of shares listed at **1** has been or will be, employed within the 2-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 £7 million and immediately after the issue that value did not exceed £8 million (read note 13); for shares issued on or after 6 April 2012 the limits are raised to £15 million and £16 million respectively
- 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 (read note 5); for shares issued on or after 6 April 2012 the limit is fewer than 250 full-time equivalent employees
- at the date shown at **1** the company was an unquoted company (read 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 started (read 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
 - for shares issued on or after 6 April 2011, the company issuing the shares has a permanent establishment in the United Kingdom
 - 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
 - the requirements of Section 181 have been met
- the company has not controlled (read note 8) another company which is not a 51% (read 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 (read note 13), or
 - otherwise controlled (read 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 about the company and the shares listed at **1** will continue to be satisfied until 3 years after the date shown at **1** or, where the money was raised for the purposes of a trade started later, 3 years after the date of it began (read 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 read note 3

Date DD MM YYYY

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.

- 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 Team)
Mid-size Business S0777
PO Box 3900
GLASGOW
G70 6AA
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 4 months, unless the company has started winding up (read note 10). But it must be submitted within:
 - 2 years after the completion of that 4-month period
 - 2 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 3 venture capital schemes - the Enterprise Investment Scheme (EIS), the Corporate Venturing Scheme (CVS) and Venture Capital Trusts (VCTs) - in any 12-month period. For share issues on or after 19 July 2007 and before 6 April 2012 the annual investment limit is £2 million. For share issues on or after 6 April 2012 the annual investment limit is £5 million.
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 given 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 for shares issued on different dates or shares of a different class, a separate form EIS1 must be supplied for 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 for 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 Sections 450 and 451 CTA 2010.
- 9 Control of the company, where this note applies, has the meaning set out in Section 995 ITA 2007.
- 10 References in this form to the date when the company started 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:
 - shares which meet the requirements of EIS about restrictions on preferential rights to dividends - read Section 173 ITA 2007 - (please note that for shares issued before 6 April 2011, shares could carry no preferential rights to dividends; for shares issued on or after that date, certain preferential rights to dividends are allowed)
 - ordinary shares, shares forming part of ordinary share capital - read Section 989 ITA 2007
 - 51% subsidiary - read Section 1154 Corporation Tax Act 2010
 - gross assets - read Statement of Practice 2/06
 - person connected with - read Sections 257(2) and 993
 - unquoted company - read Section 184
 - qualifying 90% subsidiary - read Section 190
 - termination date - read Section 256 and Paragraph 19(1) Schedule 5B TCGA 1992

- 14 The company have to tell HMRC within 60 days if any event occurs before the termination date (read note 13) about the shares as a result of which the declaration on page 4 could no longer be made. (Section 241 and Paragraph 16 Schedule 5B TCGA 1992.)
- 15 State aid under the Risk Capital Guidelines can be in the form of equity investment, securities or grants. These relate to aid received by the company or its subsidiaries from investors within the EU or any EU member state. If you are unsure whether any amount received constitutes such aid, the company should confirm the position with the provider.