

Please enter your company name and address

Name of company

Address

  
  

Postcode

HMRC use only

Date issued DD MM YYYY

 /   

PAYE reference number

 / 

ESSU scheme reference number

 X / 

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

### Year ended 5 April 2012

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 35 has been issued to you it must be returned within three months of the date of issue shown above.

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

Please read the explanatory notes on page 2 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 (ESSU) at the address opposite or phone us on the number shown.

If there is not enough space in any part of this form, please give further details on supplementary sheets. Please number each sheet 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 directly to the end of this form and fill in the declaration.

**George Rowing**

You should send the completed form to the address below.

Specialist Personal Tax  
Employee Shares & Securities Unit  
Nottingham Team  
1st Floor, Ferrers House  
Castle Meadow Road  
NOTTINGHAM  
NG2 1BB

Phone **0115 974 1250**

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## 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 EMI40).

### 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 20) 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 or the New York Stock Exchange
- 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 Part 12 of Corporation Tax Act 2009.*

### NICs election

Where the employee and his employer have jointly elected that the employee will meet some, or all, of any secondary (employer's) NICs due, then the amount paid by the employee should be entered in the column headed NICs election (column 23).

### NICs agreement

Where the employee has entered into an agreement with his employer to meet some, or all, of any secondary (employer's) NICs due then the amount paid should be entered in the column headed NICs agreement (column 24).

### Cessation of the scheme

If this scheme has ceased and there are no options still outstanding please tick the 'Yes' box in section 4.

### Provision of additional scheme information

Information about:

- exchange of options
- amendments to scheme rules, and
- variation of share capital

should have been notified to ESSU during the year so it does not have to be reported on this form.

### Further help

Further guidance on approved employee share schemes can be found on our website.

Go to [www.hmrc.gov.uk/shareschemes](http://www.hmrc.gov.uk/shareschemes)

### Your rights and obligations

*Your Charter* explains what you can expect from us and what we expect from you. For more information go to [www.hmrc.gov.uk/charter](http://www.hmrc.gov.uk/charter)

# 1 Options granted

Complete this section if options were granted during the year ended 5 April 2012.

## Notes

Please provide the following details if options were granted during the year ended 5 April 2012.

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 Alternative Investment Market (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 4

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 5

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 6

- **For UK shares** enter the exercise price in pounds sterling.
- **For non-UK shares** you must convert the exercise price shown in column 5 to pounds sterling using the exchange rate applicable at the date of grant.

1	2	3	4	5	6	7	8	9	10
Company Registration Number (CRN) of company over whose share options were granted (if non-UK company, leave blank)	Date of grant <i>DD MM YYYY</i>	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

## 2 Exercise of options and replacement options

### Notes

#### Column 20

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.

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

#### Column 21

If you entered 'Yes' in column 20, indicate the reason for exercise from the list of **A, B, C, D, E or F**.

#### Column 22

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.

#### Columns 23 – 26

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

11	12	13	14	15	16	17	18
Name of employee	National Insurance number	Employer	PAYE reference	Date of original grant of option <i>DD MM YYYY</i>	Date shares were acquired on exercise of options <i>DD MM YYYY</i>	Number of shares acquired	Exercise price per share
19	20	21	22	23	24	25	26
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 <i>DD MM YYYY</i>	Date NICs was paid over to HMRC <i>DD MM YYYY</i>

### 3 Summary of activity that took place during the tax year ended 5 April 2012

Note - Please provide the information asked for in all columns. If there is no activity to report for a particular column enter '0' in that column.

27	28	29	30	31
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 participants who exercised options (including replacement options) during the tax year	If shares are listed on any recognised exchange, the market value on last date options were exercised during the year
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

### 4 Cessation of scheme

A scheme is regarded as having ceased if no options remain and no new options can be granted.

Has the scheme ceased?

Yes  No  Tick one box

### 5 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