

There is a time limit for submitting this form (see Note 1 on page 4 for details).

Please read the notes before completing this form. If there is insufficient room in any of the spaces on this form please provide the details on a separate sheet. Refer to this in the relevant space. Use capital letters to complete this form.

To (See Note 11 on page 4)

Reference number

Company details

Name of the company issuing shares

Date of incorporation DD MM YYYY

Company registration number

Address of registered office

Postcode

Share issue details

1 The following subscribers have asked the company to issue certificates on forms CVS3 for shares which it issued to them on (enter date in box opposite) (See Note 5).

It is important that you only enter details of investors who have indicated they will be claiming CVS relief. Including other investors could unnecessarily restrict the company's ability to raise money under the venture capital schemes in the future. See Note 3.

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

Qualifying business activity

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

a trade or preparation for a trade of

Or

research and development intended to lead to a trade of

Enter details of trade here

The trade, or the research and development intended to lead to a trade, commenced on (DD MM YYYY)

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

the company itself

Or

a qualifying 90% subsidiary company (see Note 8)

Name of the subsidiary company

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

Description of shares and nominal value of each share	Total number of issued shares	Amount of share capital (£)

4 Immediately after the issue of the shares, the company had the following loan capital (see Note 6) carrying a right to conversion into shares.

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

5 The subscribers listed at 1 also held the following share capital at the date given at 1.

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

6 There have been the following changes relating to the company's issued share capital and loan capital since the issue of the shares listed at 1 up to the date of the Declaration on page 3.

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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 a subsidiary has repaid, redeemed or repurchased share capital, as shown below.

Date	Name of holder of shares	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 7) by persons from the company or any person connected with the company (see Note 8), as shown below.

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

9 Details of all companies which have been subsidiaries of the company, or controlled by the company (see Note 8), at any time since the issue of the shares listed at 1 are as shown below.

Name of company	Date it became a subsidiary	Nature of business

Declaration

References in this form to paragraphs are to paragraphs of Schedule 15, Finance Act 2000. Other statutory references are to the Income and Corporation Taxes Act 1988 as amended by subsequent Finance Acts.

I declare that:

- the trade (or research and development) mentioned at **2** (page 1) has been carried on for at least four months (or was carried on until the date when the company commenced winding up or went into receivership) (*see Note 1*)
- the shares listed at **1**
 - were issued wholly for cash, which was fully paid by the time of their issue
 - are ordinary shares which have not, at any time since their issue, carried any preferential right to dividends or to the company's assets on a winding up, or any right to be redeemed
 - 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 within paragraph 37
- the money raised by the issue of all shares of the class described at **1** which were issued on the date shown at **1** has been, or will be, employed for the purpose of the business activity mentioned at **2** and within the time allowed (*see Note 9*)
- immediately before the issue of the shares the value of the gross assets of the company and its subsidiaries did not exceed £7m and immediately after the issue did not exceed £8m. (For shares issued before 6 April 2006, the figures are £15m and £16m 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 (*see Note 4*)
- at the date shown at **1** the company was an unquoted company and there were no arrangements 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 or receivership to the date when the winding up or receivership commenced)
 - the activity mentioned at **2** has been carried on wholly or mainly in the United Kingdom
 - the company has **either** existed for the purpose given in paragraph 23(2) **or** satisfied the conditions of paragraph 23(3)
 - the company and its subsidiaries have satisfied the partnerships and joint ventures requirement in paragraph 19
 - at least 20% of the ordinary share capital has been beneficially owned by independent individuals as defined in paragraph 18(2)
 - the company has not
 - a) had a subsidiary or controlled (or, together with any other person connected with it, controlled) another company (*see Note 8*) except in so far as the conditions of paragraph 20 have been satisfied
 - b) been controlled by another company (or by another company and any person connected with that other company) (*see Note 8*) and there have been no arrangements whereby either of these could cease to be the case
- the company intends that all the conditions of the scheme relating to the company and the shares will continue to be satisfied until the end of the qualification period (*see Notes 8 and 10*)
- to the best of the company's knowledge and belief the information given on this form is correct.

Signature

Capacity in which signed (*see Note 2*)

Date DD MM YYYY

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Notes

References in this form to paragraphs are to paragraphs of Schedule 15, Finance Act 2000. Other statutory references are to the Income and Corporation Taxes Act 1988 as amended by subsequent Finance Acts.

- 1 This form should not be submitted until the trade or research and development for which the money was raised has been carried on for four months. But it must be submitted within:
 - two years after the completion of that four month period, or
 - two years after the end of the accounting period in which the shares were issued, **whichever is later**.
- 2 This form may be signed by the secretary of the company issuing the shares or any person authorised by the company. If a company makes a false statement it is liable to a penalty not exceeding £3,000.
- 3 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 break that limit, then none of the subscribers will be eligible for relief on the cost of their shares, and consequently no forms CVS3 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).
- 4 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.
- 5 Where certificates are requested for shares issued on different dates, or shares of different classes, a separate compliance statement must be supplied for each issue. Where the shares are registered in the name of someone other than the subscriber please also state the name and address of that person.
- 6 Loan capital for this purpose includes the items at paragraph 7(3) except a bank overdraft as in paragraph 7(4). 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.
- 7 The circumstances in which value is received, and how the amount of that value is computed, are as set out in paragraphs 47 - 52. 'Insignificant' amounts must be included. If the company has received any replacement value as set out in paragraph 54 details may be supplied in a covering letter.
- 8 For the meaning of:
 - controlled - see Section 840
 - ordinary share capital - see Section 832(1)
 - person connected with - see paragraph 102(3) and Section 839
 - qualification period - see paragraph 3
 - unquoted company - see paragraph 16.
- 9 For shares issued on or after 22 April 2009, the money raised must be employed within two years of the shares being issued. (For shares issued before 22 April 2009, the requirement is that 80% of the money raised has to be spent within 12 months of the shares being issued, and any remainder must be spent within the following 12 months).
- 10 The company is obliged to notify the Inspector within 60 days if any event occurs within the qualification period as a result of which the Declaration on page 3 could no longer be made (paragraph 65).
- 11 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 of the HM Revenue & Customs office which currently deals with the company.