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United Kingdom

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Corporate Venturing Scheme Statistics



Commentary

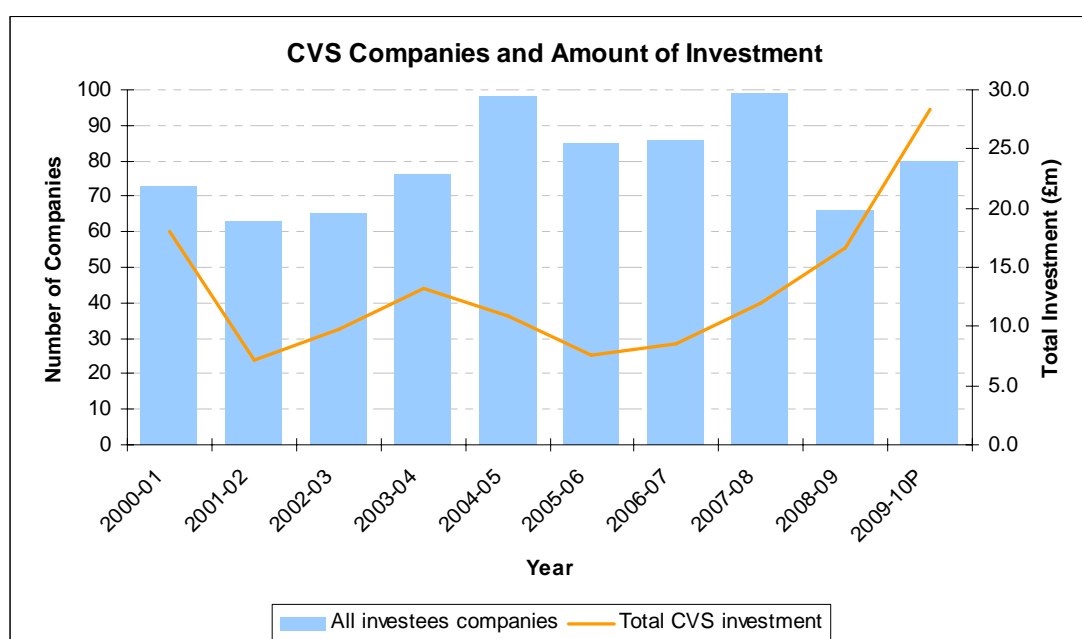
Number of companies benefiting the CVS scheme and amount of investment

On the 31st of March 2010, the CVS's ten year period expired and it has not been renewed. Therefore no investments were made after 31 March 2010

In 2009-10, the number of companies raising funds was 80, up by 21 per cent from the previous year, and the amount raised was £28 million, up from £17 million by over 71 percent from the previous year. There is a long term average of £13 million raised per year.

Since 2000-01 a total of 579 investee companies have raised £132 million from investments made by 1,003 investor companies through CVS. The number of companies raising funds peaked at 99 in 2004-05 and the number of investing companies peaked at 256 in 2000-01.

The last year of the scheme in 2009-10 saw the highest level of CVS investment with a total of £28 million was raised by 80 investee companies.



Data sources and Methodology

Data sources

CVS

The main administrative data used to compile National Statistics on CVS are derived from information provided by companies on the CVS1 forms. The CVS1 forms are

forms that a company needs to send to ensure that their company is compliant with the Enterprise Investment Scheme and Corporate Venturing Scheme respectively. The data cover all CVS1 returns received by HMRC and approved by the Small Company Enterprise Centre (SCEC) that administers the CVS scheme. The SCEC decides if a company and a share issue qualifies.

Once the shares are issued the company has to complete form CVS1. This process is repeated each time a company issues shares which it wishes to attract CVS reliefs for investors. The CVS1 forms collect details of investors who have indicated they will be claiming CVS relief and the amount invested.

Once the CVS1 forms data have been extracted from the analysis database:

- Any large changes in figures from one statistical release to the next are investigated.

Methodology

The CVS tables include every case captured via an CVS1 form. As no sampling is necessary, sampling error is not an issue.

Reliability of the estimates

Sources of error in the published statistics include:

- Although the data are broadly complete, CVS companies have up to four years after shares are issued to submit an CVS1 compliance statement, therefore there are a small number of late returns which add to the existing data and can therefore result in minor revisions to previously published figures. Accordingly, the results for the latest year should be considered as provisional.
- Data capture errors: companies may make errors entering their information onto the CVS1 paper form. The data are subsequently entered onto HMRC's systems manually. This is another point at which data may be altered due to human error or software errors. There is a risk that errors involve very large investment amounts. To mitigate this, checks are carried out and any incorrect large values which are detected are altered in the analysis database before the statistics are produced.
- Data on the location of the registered office may not necessarily reflect where the investment was utilised, as it may differ from the region in which the business activities took place.

Revisions to previous published tables

Companies' raised funds are subject to revision, and although the majority of assessments are finalised within three years after shares are issued, there are exceptional cases which can take much longer. So there is no specific point at which the CVS claims for the latest years can be considered as complete or final. In practice, the statistics are refreshed to replace any provisional figures in the previous release of the statistics. The outstanding amendments results in very little change to the published tables.