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Venture Capital Trusts Statistics

Table 8.9



About these statistics

This is a National Statistics publication produced by HM Revenue & Customs (HMRC). It provides statistics on the number of investors and amount of investment claimed under the Venture Capital Trust (VCT) scheme through Self Assessment forms.

National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics (2009). They undergo regular Quality Assurance reviews and also seek to engage users in their refinement and development to ensure they meet customers' needs.

For more information on Official and National Statistics and governance of statistics produced by public bodies, please see the UK Statistics Authority website:

www.statisticsauthority.gov.uk

HMRC Official and National Statistics can be found on the internet at:

<https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics>

Key points

- The majority of VCT investors tend to invest smaller amounts into VCT funds. In 2011-12, 52% of investors made a claim for an investment of £10,000 or less and only 5% above £100,000. These proportions were 46% and 7% respectively in 2010-11.
- In terms of the distribution of the overall total amount invested, 10% of the total investment was made by individuals with VCT subscriptions of £10,000 or less in 2011-12, while 34% of the total amount was from investors who invested over £100,000. These proportions were 8% and 37% respectively in 2010-11.

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Section 1: Introduction

What does this publication tell me?

This publication provides statistics on the distribution of the amounts invested under the Venture Capital Trust (VCT) scheme by investors claiming income tax relief. It also provides figures on the total amount invested broken down by the size of investors' investments made under the scheme.

Who might be interested in these statistics?

This publication is likely to be of interest to policy makers in government, academics, research organisations, the media, the Venture Capital associations, Venture Capital Trusts themselves and investors in VCTs.

People interested in this publication may also be interested in the Official Statistics publication on the amount of funds raised under VCT scheme and the National Statistics publication on the Enterprise Investment Scheme (EIS). EIS is designed to help smaller higher-risk trading companies to raise finance by offering a range of tax reliefs to investors who purchase new full-risk ordinary shares in those companies.

<https://www.gov.uk/government/collections/enterprise-investment-scheme-eis-statistics>

What does the table show?

The Table 8.9 presents annual figures for 2009-10 to 2011-12 on the distribution of investors claiming income tax relief under the VCT scheme and the amount of their investment (in percentages).

User engagement

HMRC is committed to providing impartial quality statistics that meet our users' needs. We encourage our users to engage with us so that we can improve our National Statistics and identify gaps in the statistics that we produce. Please see the following link for HMRC Statistics "Continuous User Engagement Strategy":

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278751/HMRC_statistics_continous_user_engagement.pdf

If you would like to comment on these statistics or have any enquiries on the statistics please use the statistical contacts named at the end of this section and on the cover page.

Alternatively, we would welcome any views or comments you have via HMRC statistics blog:

<https://hmrcstatistics.blog.gov.uk/>

Specifically, if you would like to be involved in future consultations about Corporation Tax National Statistics, please go to the survey at the following link, where you will be able to enter your contact details:

<https://www.surveymonkey.com/s/dbtsurvey1>

Statistical contacts

Enquiries about these statistics should be directed to the statisticians responsible for these statistics.

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Media enquiries should be directed to the HMRC Press Office contacts listed on the front page of this release.

Section 2: Statistical commentary

This section includes the VCT Table 8.9 showing the distribution of investors claiming income tax relief under the Venture Capital Trust (VCT) scheme and their amount of investment (in percentages). This section also provides a short commentary on the main figures in this table.

Table 8.9 VCT income tax relief, distribution of investors and investment

Table 8.9 presents the distribution of investors claiming income tax relief under Venture Capital Trust (VCT) scheme and their amount of investment (in percentages).

Venture Capital Trusts

Table 8.9: Income tax relief: distribution of investors and total amount of investment by size of investment.
Tax years 2009-10¹ to 2011-12.

Size of investment in year ² (Upper limit) £	Percentages					
	2009-10		2010-11		2011-12	
	Investors	Amount of investment	Investors	Amount of investment	Investors	Amount of investment
500	7	-	7	-	4	-
1,000	3	-	3	-	3	-
2,500	4	-	4	-	9	1
5,000	14	2	14	2	15	2
10,000	20	5	20	6	21	7
15,000	8	3	8	4	10	5
20,000	9	5	9	6	8	6
25,000	5	4	5	4	5	5
50,000	15	18	15	19	12	18
75,000	4	8	4	7	4	9
100,000	5	16	5	15	3	13
150,000	2	8	2	8	2	9
200,000	5	30	5	29	3	24
Total ³	100	100	100	100	100	100

Source: Self Assessment Returns

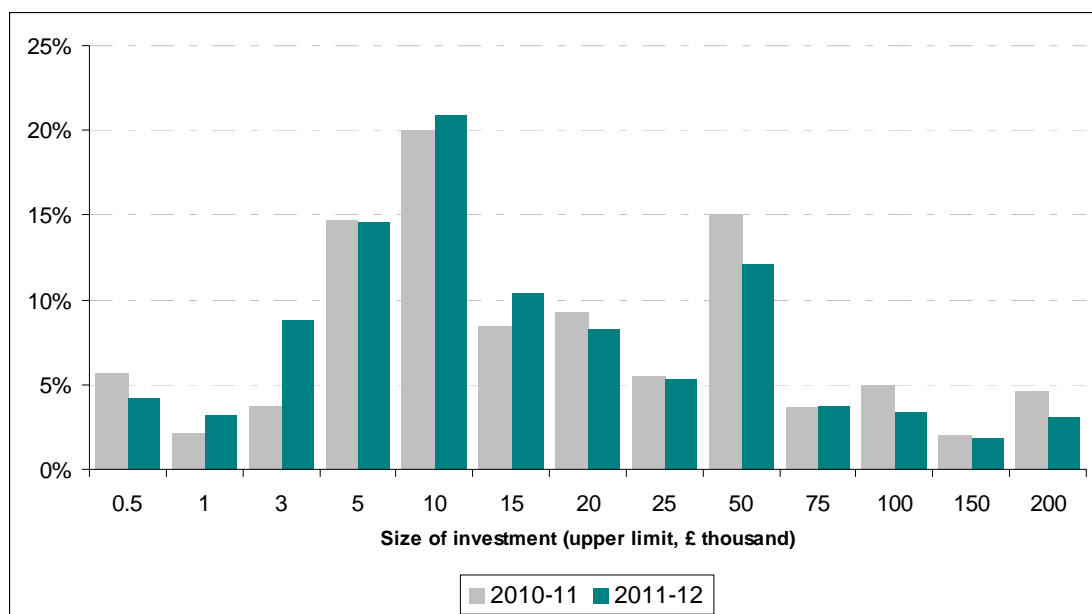
1. Tax year ending 5 April.
2. The maximum investment eligible for income tax relief was £200,000 from 2004-05.
3. Totals may not add up to 100% due to rounding.
- Less than 1%.

Proportion of investors claimed VCT relief by size of investment

The majority of the investors tend to invest smaller amounts of money into VCT funds. The Figure 1 shows that in 2011-12 more than half (52%) of VCT investors claimed tax relief under the VCT for an investment of less than £10,000. Only 5% of investors made a claim for an investment above £100,000 in 2011-12.

In 2011-12, a higher proportion of investors invested small amounts and a lower proportion invested large amounts in VCT funds compared with 2010-11.

Figure 1: Distribution of proportion of investors claimed VCT relief by size of investment (upper limit)



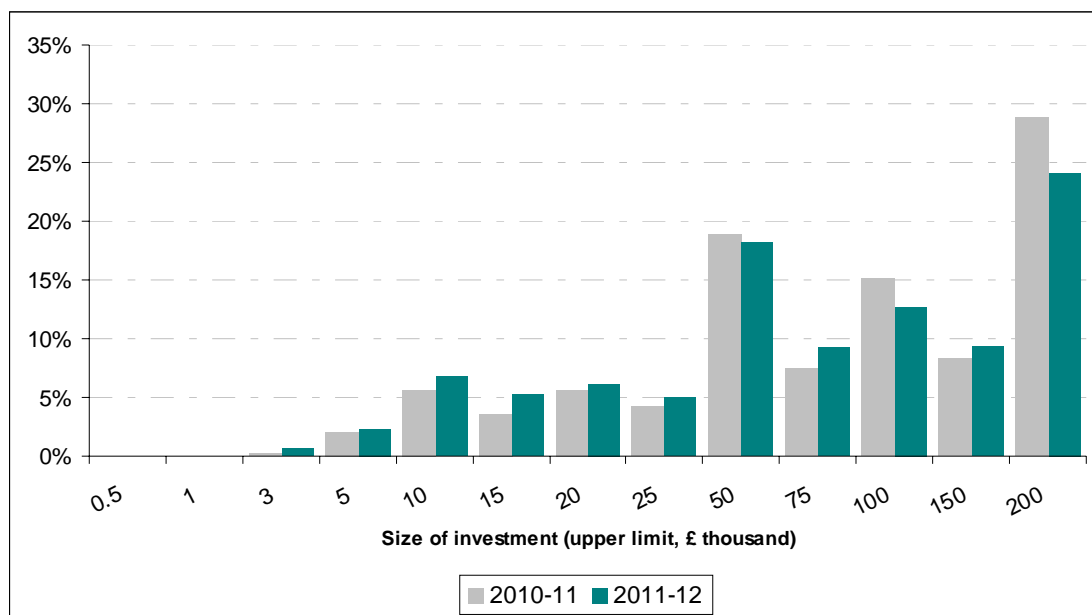
Source: Self Assessment Returns

Distribution of total investment claimed VCT relief by size of investment

Figure 2 shows the distribution of total amount invested on which income tax was claimed by the size of individuals' investments.

10% of the total amount invested in 2011-12 was made of investments of £10,000 or less (8% in 2010-11), while 34% of the total was made of investments of over £100,000 (37% in 2010-11).

Figure 2: Distribution of proportion of investment claimed for VCT relief by size of investment (upper limit)



Source: Self Assessment Returns

Section 3: Background information, data sources and methodology

This section provides a link to the introduction note explaining in more details the policy background and the key policy changes since its inception in 1995. Also, this section covers the data sources and methodology used to derive these statistics.

Background

The Venture Capital Trust (VCT) scheme, introduced in 1995, is one of three tax-based Venture Capital Schemes, the others being the Enterprise Investment Scheme and the Seed Enterprise Investment Scheme. For more information on the policy and policy changes in VCT scheme follow the link:

<https://www.gov.uk/government/statistics/venture-capital-trust-statistics-introductory-note>

National Statistics for the Enterprise Investment Scheme can be found below:

<https://www.gov.uk/government/collections/enterprise-investment-scheme-eis-statistics>

Data sources

HMRC has access to VCT investor-level information via Self Assessment data, although this does not cover all VCT investors. This should be fairly comprehensive for investors claiming Income Tax relief.

Methodology

The figures presented in this bulletin are based on data from Self Assessment returns. As no sampling is necessary, sampling error is not an issue.

Revisions to previous published tables

Revisions to the published Self Assessment returns data are not routinely made until the following year's release. Typically the only revisions are to the most recent year's figures, reflecting returns received after the cut-off date.