

# **Enterprise Management Incentives**

Please enter your company name and address	HMRC use only
Name of company	Date of issue DD MM YYYY
Address	
Postcode	Reference
	EMI /

# Enterprise Management Incentives (EMI) annual return year ended 5 April 2012 Schedule 5 Income Tax (Earnings and Pensions) Act 2003 (ITEPA 2003)

# Year ended 5 April 2012

**You must send the return to me before 7 July 2012.** Penalties may be charged if the return is not received on time, or is not complete or accurate.

If there is not enough room for all the entries on any page, please give details on supplementary sheets (photocopies are acceptable) and number them. Supplementary sheets should be in the same format as the return.

If there has been no activity during this year, there is no need to complete sections 1 to 6 on this form. You can go straight to section 7.

**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

If you need help filling in this form please phone 0115 974 1250 quoting the reference shown above.

# Notes to help you complete this return

#### Actual Market Value (AMV)

AMV is the market value of a share after taking into account any restrictions or the risk of forfeiture as set out in the company's Articles of Association.

Restrictions on the transfer of shares as contained in the Articles may be treated as restrictions for this purpose.

If the shares are subject to restrictions or the risk of forfeiture, there will be two market values, AMV and UMV (see below). AMV will be the lower of the two values.

#### Unrestricted Market Value (UMV)

UMV is the market value of a share ignoring any restrictions or the risk of forfeiture. See the notes above on AMV for information on restrictions.

If the shares are subject to restrictions or the risk of forfeiture, there will be two market values, AMV and UMV. UMV will be the higher of the two values.

#### Election under Section 431(1) of Income Tax (Earnings and Pensions) Act 2003

This applies where shares are acquired that are subject to restrictions. Please see the notes on AMV for information on restrictions. The effect of the election is that, when calculating the amount subject to Income Tax, the shares are treated as if they are not restricted shares.

#### **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

# 1 Adjustment of options

Adjustment of options, following a variation in the share capital of the company whose shares are under option. Complete this section if options have been adjusted to reflect a change in the company's share capital.

1	2	3	4	5	6	7	8	9	10
Unique option reference allocated by HMRC, for example 1A, 2A	Name of option holder (surname, initials)	Date option adjusted <i>DD MM YYYY</i>	Original number of shares under the option	Original price payable for a share under the option	Adjusted number of shares under the option	Adjusted price payable for a share under the option	AMV of a share at date of grant	Changed description of shares (if applicable)	Is the adjustment a disqualifying event? (Yes/No)
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		
				£		£	£		

# Notes to help you complete this section

#### Column 8

For information on AMV see page 2.

#### Column 10

A variation in the share capital of the company is a disqualifying event if it involves the creation, variation or removal of a right or restriction to which the shares are subject and this alteration is not done for commercial reasons or is done to increase the value of the shares. If the variation in the share capital is a disqualifying event, you will also need to complete section 4.

# 2 Replacement of options - company reorganisation

Complete this section if during this year another company obtained control of the company and the option holder released their options in return for an equivalent new option in the acquiring company. Do not enter this release of options in section 3.

1	2	3	4	5	6
Unique option reference allocated by HMRC, for example 1A, 2A	Name of option holder (surname, initials)	Date of grant of old option  DD MM YYYY	Date of grant of new option DD MM YYYY	AMV of a share under <b>old</b> option at the date of release	Name and registered number of the company whose shares are the subject of the <b>new</b> option
				£	
				£	
				£	
				£	
				£	
				£	
				£	
				£	

# Notes to help you complete this section

#### Columns 1 and 2

If all of the shares under the option were exchanged for new shares, do not enter individual details. Write 'all' in these columns.

#### Column 5

For information on AMV see page 2.

# 3 Options released, lapsed or cancelled

Complete this section if during this year options have been released, lapsed or cancelled (including when this occurred after a disqualifying event).

1	2	3	4	5	6	7
Unique option reference allocated by HMRC, for example 1A, 2A	Name of option holder (surname, initials)	National Insurance number of option holder	Date of release, lapse or cancellation of option <i>DD MM YYYY</i>	Number of shares in respect of which options can no longer be exercised	If money or value was received by the option holder for the release or otherwise, in connection with the option, enter the amount of money or value received	Was this amount subject to PAYE and NICs? (Yes/No)

### 4 Disqualifying events

Complete this page if a disqualifying event occurred in this year unless the option has been released, lapsed or cancelled in this year. Where the option has been released, lapsed or cancelled, enter the details in section 3 on page 4.

1	2						7	
Unique option reference allocated	Name of option holder (surname, initials)	Nature of disqualifying event (enter A to H)	Date of disqualifying event	Can the options still be exercised?	At date of disqualifying event		Has this market value	
by HMRC, for example 1A, 2A	(surname, initials)	(enter A to H)	DD MM YYYY	(Yes/No)	AMV of a share (£)	UMV of a share (£)	been agreed with HMRC? (Yes/No)	

#### Notes to help you complete this section

#### Columns 1 and 2

If all the options suffered the same disqualifying event, do not enter individual details: write 'all' in these columns.

#### Column 3

Enter the appropriate letter for the type of disqualifying events listed here.

- A The company has come under the control of another company.
- **B** The company has ceased to meet the trading activities requirement.
- **C** The option holder has ceased to be an employee of the company or of a qualifying subsidiary or has ceased to work there for 25 hours per week or 75% of working time.
- **D** The terms of the option have been varied causing the value of the shares to be increased or the option no longer to be a qualifying option.

- **E** The share capital has been varied and you have entered 'Yes' in section 1 column 10.
- **F** The shares were converted into a different class of shares and this conversion did not happen to the whole class of shares.
- **G** The option holder has been granted an option under an HMRC approved CSOP resulting in him or her holding EMI and CSOP options over shares with a UMV in excess of £120,000.
- **H** The company has not started carrying on a qualifying trade within two years of the grant of the option or preparations to carry on a qualifying trade have ceased.

#### Column 6

For information on AMV and UMV see page 2.

# **5** Non-taxable exercise of options

Complete this section if during the year options (or replacement options) have been exercised and the price paid to acquire a share was not less than the market value of a share on the date the option was granted and there was no disqualifying event or the option was exercised within 40 days of the date of a disqualifying event. There is no Income Tax payable on these exercises.

For information on AMV see page 2.

1	2	3	4	5	6
Unique option reference allocated by HMRC, for example 1A, 2A	Name of option holder (surname, initials)	Date of exercise DD MM YYYY	Number of shares acquired	AMV of a share at date of exercise	Total amount paid to acquire these shares
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£
				£	£

# **6 Taxable exercise of options**

Complete this section if during the year options (or replacement options) have been exercised more than 40 days after a disqualifying event and/or the price paid to acquire a share was less than the market value of a share on the date the option was granted. Include any options exercised where the disqualifying event was in the previous year(s). Income Tax is payable on such exercises (PAYE and NICs where the shares are Readily Convertible Assets).

1	2	3	4	5	6	7	8	9	10	11	12
Unique option reference allocated by HMRC, for example 1A, 2A	Name of option holder (surname, initials)	AMV of share at date of grant (£)	Exercise price paid to acquire a share (£)	Number of shares acquired	Date of exercise of option DD MM YYYY	Date of disqualifying event <i>DD MM YYYY</i>	AMV of a share at date of exercise (£)	UMV of a share at date of exercise (£)	Has an election been made under S431(1)? (Yes/No)	What amount was subjected to PAYE deductions? (£)	Were employer's NICs paid by election or agreement? (Yes/No)

# Notes to help you complete this section

#### Columns 3 and 8

For information on AMV see page 2.

#### Column 9

For information on UMV see page 2.

#### Column 10

For information on elections under Section 431(1) see page 2.

7 Nil return  If there has been no activity during the year, please tick this box
8 Summary of EMI options Number of people holding options at 5 April 2012
O Change of data!
9 Change of details  If the company has changed its name enter details below
if the company has changed its hame effect details below
If the company has changed the address of its registered office, phone or fax number, please enter the new details below
New company address
Postcode
New phone number
New fax number
Old corrections
Old company name
Old company address
Old company address

Postcode

10 Certificate
I confirm that all disqualifying events have been included in this Return.
I certify that to the best of my knowledge and belief this is a complete and accurate Return.
Name in capitals
Position in company
Phone number
Email address
Fax number
Signature
Date DD MM YYYY