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Enterprise Investment Scheme Seed Enterprise Investment Scheme and Social Investment Tax Relief

May 2020

Statistics on Companies raising funds



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Section 1: Key points and summary

Enterprise Investment Scheme

- Since the Enterprise Investment Scheme (EIS) was launched in 1993-94, 31,365 companies have received investment and £22 billion of funds have been raised.
- In 2018-19, 3,905 companies raised a total of £1,824 million of funds under the EIS scheme. This is a decrease from 2017-18, when 4,080 companies raised £2,001 million.
- In 2018-19, a total of £504 million of investment was raised by the 1,470 companies raising funds under the EIS scheme for the first time.
- In 2018-19, companies from the Information and Communication sector accounted for £543 million of investment (30% of all EIS investment).
- London and the South East accounted for the largest proportion of investment with companies registered in these regions receiving £1,193 million (65% of all EIS investment) in 2018-19.

Seed Enterprise Investment Scheme

- Since the Seed Enterprise Investment Scheme (SEIS) was launched in 2012-13, 12,040 companies have received investment and over £1 billion of funds have been raised.
- In 2018-19, 1,985 companies raised a total of £163 million of funds under the SEIS scheme. This is a decrease from 2017-18 when 2,430 companies raised £195 million.
- 1,530 of the companies were raising funds under the SEIS scheme for the first time in 2018-19, representing £140 million of investment.
- In 2018-19, companies from the Information and Communication sector accounted for £55 million (34% of all SEIS investment).
- London and the South East accounted for the largest proportion of investment, with companies registered in these regions receiving £110 million (71% of SEIS investment) in 2018-19.

Social Investment Tax Relief

- In 2018-19, 75 social enterprises received investment through the Social Investment Tax Relief (SITR) scheme, and £3.6 million of funds were raised. This is a large increase from 2017-18, when 25 enterprises raised £2.2 million.
- Since SITR was launched in 2014-15, 110 social enterprises have raised funds of £11.2 million through the scheme.

Advance Assurance Requests (AAR)

- Since 2006-07, there have been a total of 34,415 AAR applications received for EIS, and of these 28,305 (82%) have been approved.
- In 2019-20, 3,440 AAR applications for EIS were received and 2,585 (75%) approved. This is an increase from 2018-19 when 3,280 AAR applications were received and 2,330 (71%) approved. The small increase in both the number of applications and those approved is likely to be an indication of the industry adjusting to the changes to the advance assurance service (as described in more detail on page 28) and the new risk-to-capital condition (page 32), both of which were introduced in 2018. The approval rate for 2019-20 is likely to increase further as more AAR applications are processed – at this stage last year, 2,070 (63%) of the 2018-19 applications had been approved.
- Since 2012-13, there have been a total of 22,475 AAR applications received for SEIS, and of these 18,450 (82%) have been approved.
- In 2019-20, 2,755 AAR applications for SEIS were received and 2,120 (77%) approved. This is an increase from 2018-19, when 2,590 AAR applications were received and 1,740 (67%) approved, but still lower than previous years. The increases are likely to be for the same reasons as identified for the EIS. The approval rate for 2019-20 is likely to increase as more AAR applications are processed – at this stage last year, 1,575 (61%) of the 2018-19 applications had been approved.
- Since 2014-15, there have been a total of 440 AAR applications received for SITR, and of these 285 (65%) have been approved.
- In 2019-20, 40 AAR applications for SITR were received, and 30 (71%) approved. This is a decrease from 2018-19 when 50 AAR applications were received and 35 (65%) approved. The fall in the number of applications is likely to be due to a change in the advance assurance service as described in more detail on page 28. The approval rates are likely to increase as more AAR applications are processed – at this stage last year, 50% of the 2018-19 applications had been approved.

Note

While companies have a period of several years after shares are issued to submit a compliance statement (the EIS1, SEIS1 and SITR1 forms), the majority of these returns are made within three years. Therefore, the figures in this release, and particularly for 2018-19, are likely to be revised in future due to applications that have not yet been received, or advance assurance applications received in 2019-20 that require further processing.

Section 2: Introduction

About these statistics

This is a National Statistics publication produced by HM Revenue & Customs (HMRC). It provides information on the number of companies raising funds, the number of subscriptions and the amounts raised through the Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS). It also includes Official Statistics on social enterprises raising funds through the Social Investment Tax Relief (SITR) scheme. The EIS, SEIS and SITR are three of four tax-based Venture Capital schemes, the other being the Venture Capital Trust scheme¹. The current release includes the first estimates for 2018-19. The figures for 2016-17 and 2017-18 include small revisions and minor updates, arising from the receipt of a small number of further EIS1 and SEIS1 forms for these years.

The publication also provides information on the industrial and geographical breakdown of EIS and SEIS companies, the distribution of companies by the amounts of funds raised, and the distribution of investors by the size of their investment. Statistics on companies raising funds, subscriptions and amounts raised are based on the EIS1, SEIS1 and SITR1 returns received so far. Statistics on investors using the EIS and SEIS schemes are derived from Self-Assessment tax returns.

Section 1 summarises the key statistical points and Section 3 presents an overview of the statistics and discusses recent trends. In Section 4, this release includes updated estimates for Advanced Assurance Requests (AARs). As part of the qualifying process for seeking investment through the schemes, companies can provide a return to HMRC in advance of a share issue to check that it will meet the qualifying conditions for these conditions for these schemes. Section 5 provides background information, including a link to further detail on the policy background and key policy changes, and information on the data sources and methodology used to derive these statistics. Copies of the statistical tables are included in Annex A.

The next release is planned to be in Spring 2021.

These National Statistics are produced to the professional standards set out in the Code of Practice for Statistics (2018)². For more information on Official and National Statistics and the governance of statistics produced by public bodies, please see the UK Statistics website: www.statisticsauthority.gov.uk.

HMRC Official and National Statistics can be found on the gov.uk website: <https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics>

¹ Further information on the EIS and SEIS schemes is included in Section 5: Background Information

² <https://www.statisticsauthority.gov.uk/gsspolicy/code-of-practice-for-statistics/>

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 and companies raising funds under the EIS, SEIS and SISR schemes. It will be of particular interest to investors investing in Venture Capital schemes.

People interested in this publication may also be interested in the National Statistics publication on Venture Capital Trusts (VCT):

<https://www.gov.uk/government/collections/venture-capital-trusts-statistics>

We continue to welcome feedback on this release and the range of statistics presented. Contact details are included within Section 5.

Section 3: Commentary

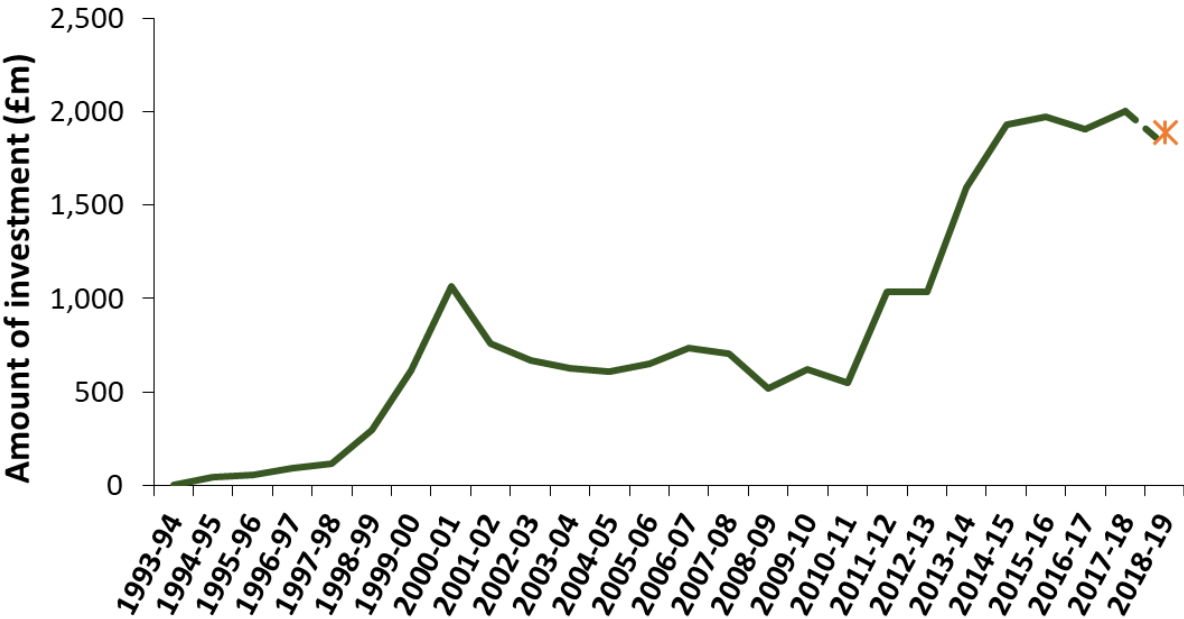
3.1 Enterprise Investment Scheme (EIS)

EIS: Number of EIS companies and amount of investment

Since the EIS was launched in 1993-94, 31,365 individual companies have received investment through the scheme, and £22 billion of funds have been raised. The data used here come from EIS: Table 8.1 in Annex A, where information dating back to 1993-94 can be found.

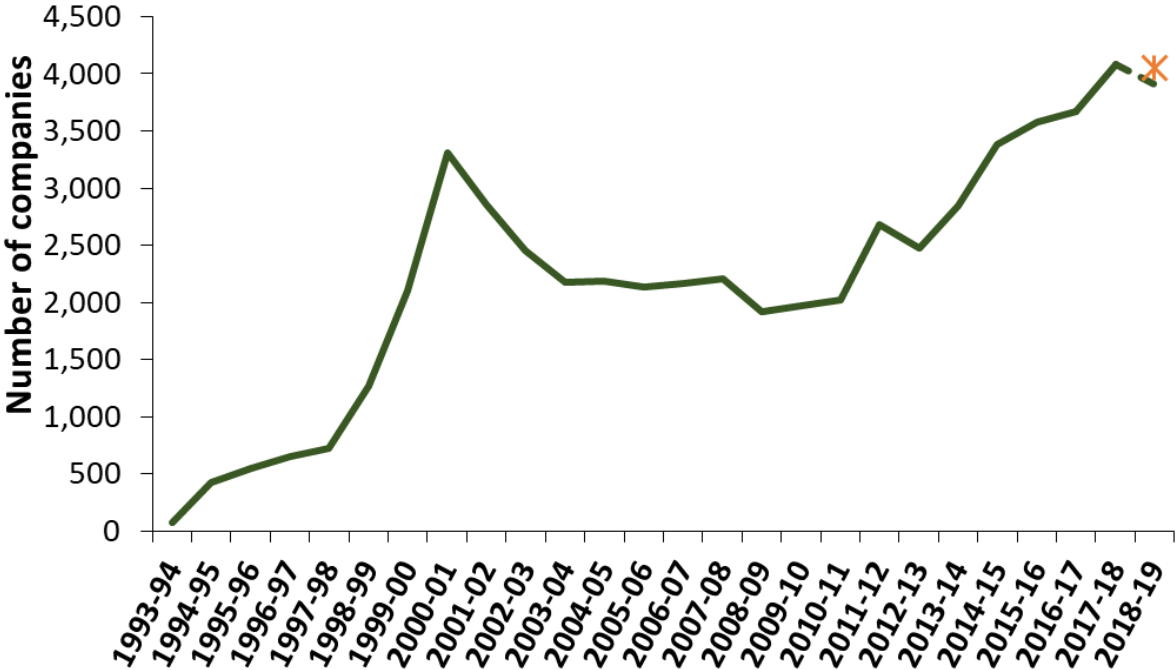
The numbers of companies raising funds and the level of investment have shown similar trends since the EIS was introduced (Figure 1). In 2018-19 the number of companies raising funds decreased slightly to 3,905, raising a total of £1,824 million. Note that the 2018-19 figures are likely to be revised upwards as more returns are received by HMRC, so this trend may change the next time the figures are published. For the 2017-18 figures, the total number of companies increased by 4.0% and the total amount by 3.7% from the previous publication. Assuming that this trend stays the same, we estimate there will be 4,060 companies with £1,892 million of funds.

Figure 1(a): Amounts of funds raised through the EIS, 1993-94 to 2018-19.



Source: EIS1 forms. Figures for 2018-19 are provisional. * represents estimated value after all returns processed.

Figure 1(b): Number of companies raising funds under the EIS, 1993-94 to 2018-19.



Source: EIS1 forms. Figures for 2018-19 are provisional. * represents estimated value after all returns processed.

There has been a steady increase in EIS use since 2010, which could be due to sustained historically low interest rates, increasing promotion and involvement of fund managers.

In addition, the change in Income Tax relief from 20% to 30% in 2011-12 and the introduction of the Feed in Tariffs (FiTs) initiative³ from April 2010 (resulting in large amounts of investment into the renewable energy sector) both attracted EIS investment. In 2012-13 most trades attracting FiTs were excluded from eligibility for the EIS and most companies benefiting from alternative DECC subsidies were excluded from July 2014.

The increase in the annual EIS investment limit for companies to £5 million from 2012-13 attracted significant investment. The amount of funds raised almost doubled in the period from 2012-13 to 2014-15. Subsidised energy activities were progressively excluded from eligibility for the EIS from April 2015, and all energy activities were excluded from April 2016.

Further limits on eligible companies were introduced from November 2015, including age limits and funding limits, and a new growth and development requirement. Despite these measures, investment in the EIS continued to increase up to 2017-18.

As part of the government’s Patient Capital Review, a new risk-to-capital condition was introduced in 2018. This was intended to remove investment arrangements based on capital preservation and ensure that the EIS and other tax-advantaged venture capital schemes are focused on investment in early-stage companies that have the intention to grow and develop in the longer term.

³ Introduced by the Department of Energy and Climate Change.

The figures for 2018-19 suggest a small decrease in the amount of EIS investment compared to the previous year which may be as a result of the introduction of the new condition.

The data for 2018-19 include, for the first time, investment in knowledge-intensive companies (KICs)⁴. Companies that qualify as knowledge-intensive at the time of share issue can make use of increased annual and lifetime funding limits, £10m and £20m respectively, and these KICs can receive their first EIS or other risk finance investment up to 10 years from first commercial sale, as opposed to the normal limit of 7 years. These rules were first introduced in November 2015 and further extended in April 2018. The combination of these increased limits and the focus on growth of the risk-to-capital measure is expected to result in more funds being raised through the EIS in future years in these innovative companies.

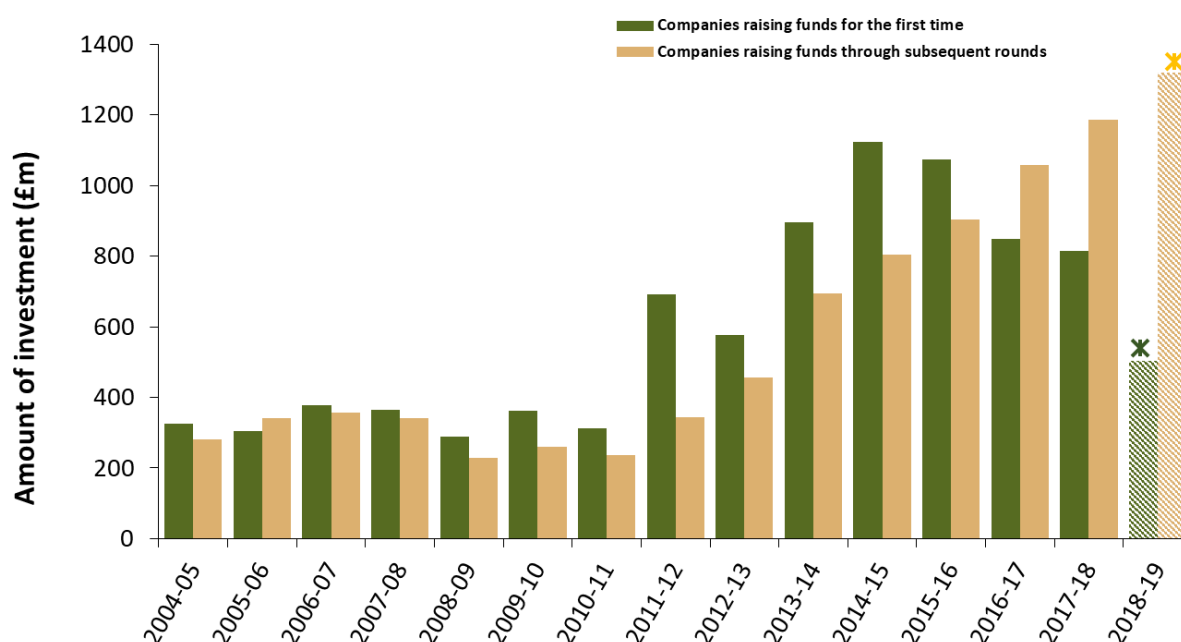
⁴ Further information on knowledge intensive companies can be found at: <https://www.gov.uk/guidance/use-the-enterprise-investment-scheme-eis-to-raise-money-for-research-development-or-innovation#check-if-you-should-apply-as-a-knowledge-intensive-company>

EIS: New investment

The majority of investment through the scheme (53%) since the inception of the EIS has been investment into companies raising EIS funds for the first time (Figure 2). However, the proportion of investment into new companies compared to that for companies raising further funding has declined since the peaks in 2011-12 and 2014-15. This coincides with the investment in renewable energy and the progressive exclusion of these activities from the EIS, as noted above. In 2018-19, only 28% of funding was raised by companies using the EIS for the first time. This further decrease is likely to be due to the introduction of the risk-to-capital condition which places further restrictions on the qualification of investment under the EIS. These restrictions were introduced to ensure that investment under the EIS is genuinely at risk and is made with the intention of providing long-term growth and development of the company's trade. Those low-risk and limited growth investment arrangements targeted by the new condition typically involved the creation of new companies raising funds for the first time. A proportion of this investment is expected to be reinvested elsewhere and, with the new incentives to invest in knowledge intensive companies, result in increased investment in those companies.

The values for 2018-19 are provisional and are therefore shaded in Figure 2. For the 2017-18 figures, the amount invested by first-time companies has increased by 7.3% since the previous publication. Assuming that this trend stays the same, we estimate the amount raised by first-time companies in 2018-19 will be £541 million.

Figure 2: Amount of investment received through the EIS by new companies and by companies who received investment under the EIS previously, from 2004-05 to 2018-19.



Source: EIS1 forms. Figures for 2018-19 are provisional. * represents estimated value after all returns processed.

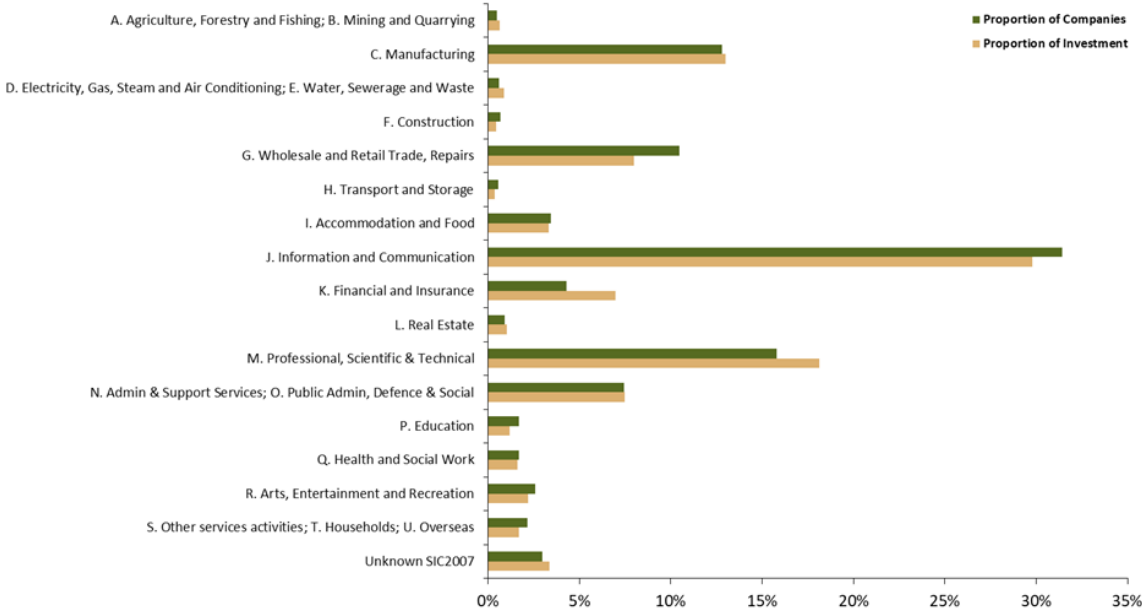
EIS: Industry sector

In 2018-19, companies from just 4 sectors (the Information & Communication, the Professional, Scientific & Technical, the Manufacturing, and the Wholesale & Retail Trade, Repairs sectors) together accounted for over £1.2bn of investment and made up 69% of all EIS Investment (Figure 3). This is a higher proportion than the 2017-18 figures.

The highest number of companies receiving EIS investment in 2018-19 was also in these 4 categories, which represent 71% of the total number of companies receiving investment through the EIS. This is similar to the figures for 2017-18.

The data used here come from EIS: Table 8.2 in Annex A.

Figure 3: The percentage distribution of EIS investment and number of EIS companies, by SIC2007 industry sector in 2018-19.



Source: EIS1 forms. Figures are provisional

Figure 4 compares the proportion of investment across sectors, by amount, raised under the EIS between 2017-18 and 2018-19. The trends for the two years are similar, with a decrease in the Manufacturing and Accommodation and Food sectors, but an increase in the Wholesale and Retail Trade, Repairs sector as well as the Information and Communication sector.

Figure 4: Comparison between amounts of funds raised under the EIS by different industry sectors in 2017-18 and 2018-19.



Source: EIS1 forms. Figures for 2018-19 are provisional

The sector breakdowns in this section are based on the Standard Industrial Classification (SIC) 2007⁵. It should be noted that the most recent SIC data available has been used and some companies could have changed their trade since submitting their EIS1 forms. SIC codes are also self-selected, and we must assume that companies have selected the right code.

⁵<https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007>

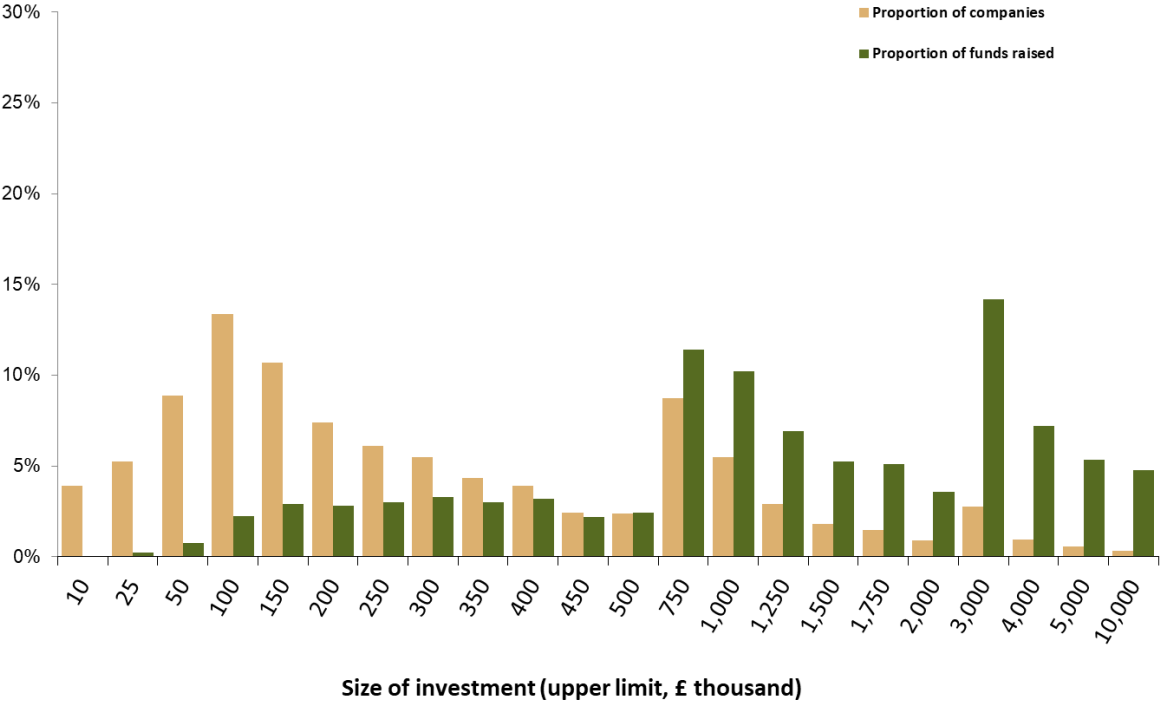
EIS: Size of investment per company

The distribution of the number of companies raising money under the EIS by investment size differs from the distribution of amount of funds raised by size of investment (Figure 5). A large proportion of companies receive relatively small investments, with 42% (1,644) of companies receiving investments of £150,000 or less in 2018-19. This is a similar proportion to previous years.

For larger investments, in 2018-19, 31% (£574m) of the amount of funds was concentrated in investments above £2m, with 10% (£185m) going to investments over £4m. Whilst this is a decrease from 2017-18, it is likely that the risk-to-capital condition will have affected these higher investment categories in particular.

Since 2012-13 the annual limit on investment has been £5m. From 2018-19 onwards this has been increased to £10m for KICs. The higher limit may result in an increase in the amount of funds in investments above £4m in future years.

Figure 5: Distribution of the proportion of funds raised under the EIS (number of companies and amount raised) by upper limit of size of investment (2018-19).



Source: EIS1 forms. Figures are provisional

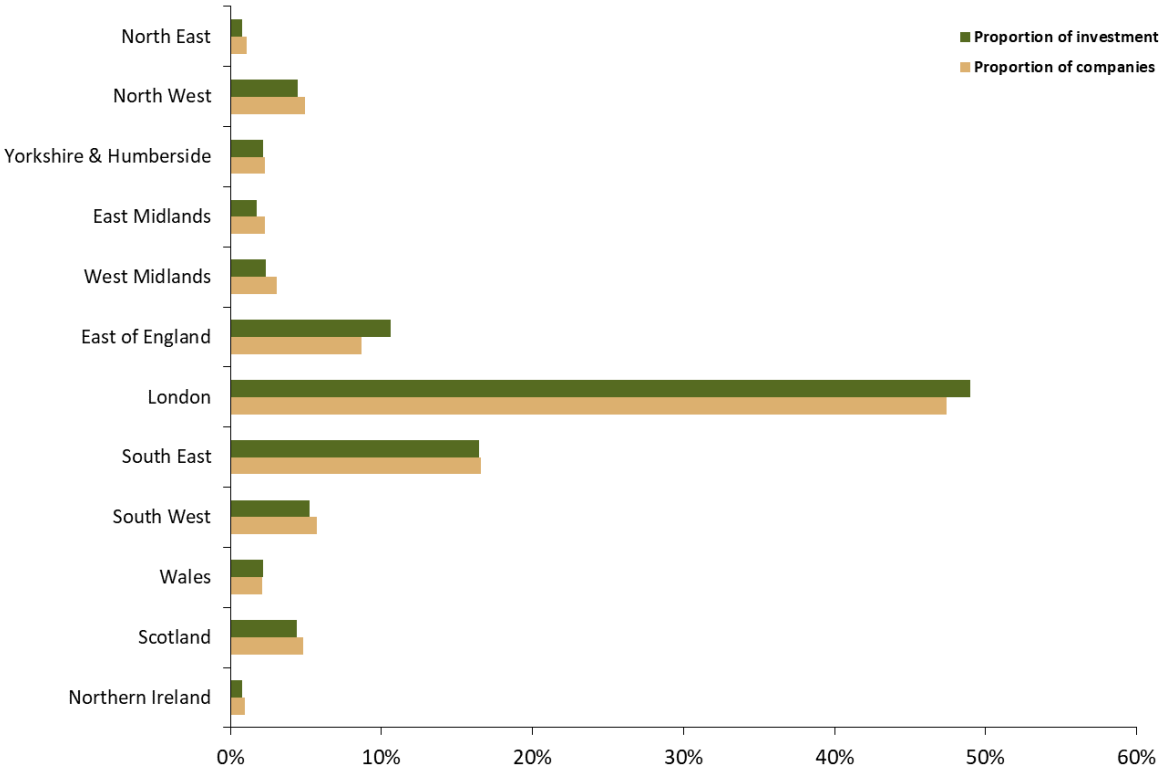
The data used in this section come from EIS: Table 8.3 in Annex A.

EIS: Geographical region of company registration

The proportion of the amount of investment in companies registered in London and the South East was 65% in 2018-19 (Figure 6). This proportion is similar to recent years.

The geographical distribution of EIS investments is based on the registered address of the company raising funds. This address may place the company in a different region from the region in which the business activity is actually carried out, and therefore a degree of caution should be exercised in the use of these data.

Figure 6: Distribution of EIS investment and number of EIS companies based on the registered address of the company (2018-19).



Source: EIS1 forms. Figures are provisional

The data used in this section come from EIS: Table 8.4 in Annex A.

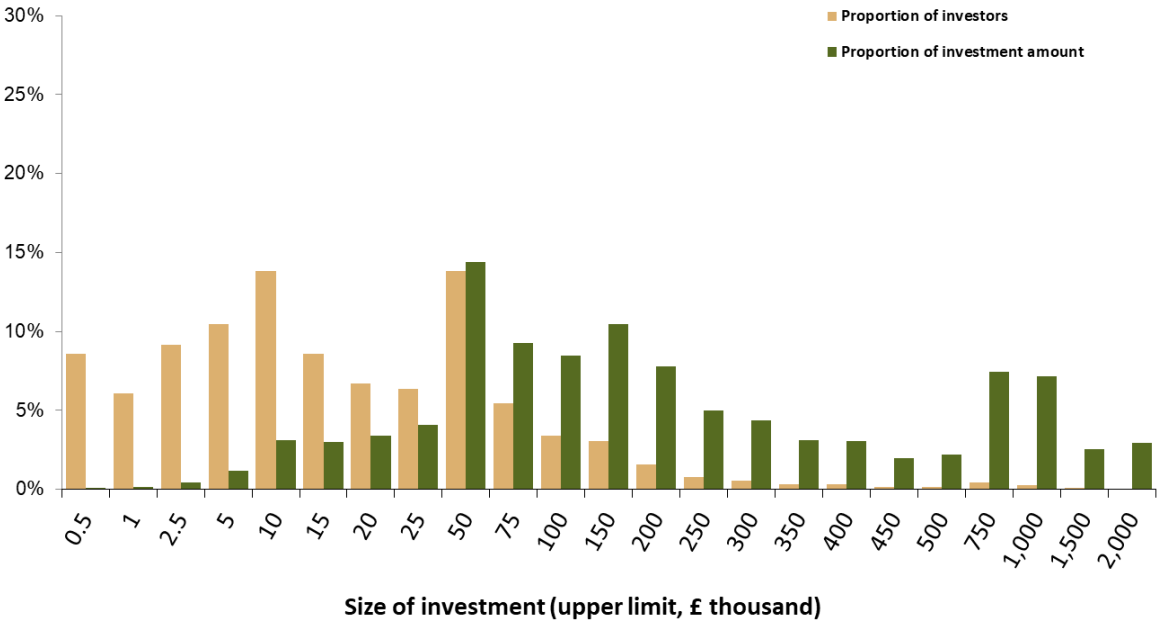
EIS: Investors claiming Income Tax relief under EIS

The number of investors claiming Income Tax relief on Self-Assessment forms under the EIS has decreased, with 36,915 in 2017-18 and 34,145 in 2018-19. However, the figures for the most recent year are provisional and likely to be revised upwards as more returns are received by HMRC. For the 2017-18 figures, the number of investors increased by 11.2% from the previous publication. Assuming that this trend stays the same, we estimate there will be 37,985 investors for 2018-19; and this would in fact be an increase on last year’s figures.

The majority of investors claiming Income Tax relief tend to invest smaller amounts of money into companies qualifying for EIS (Figure 7). In 2018-19, 83% of EIS investors made a claim for tax relief in respect of an investment of £50,000 or less. This is similar to the levels seen in 2017-18.

In 2018-19, new limits were introduced for investments in KICs. These allow individuals to invest up to £2m in a year if they are investing in a KIC. There were 45 investments of between £1m and £2m in 2018-19, contributing £67m of investment. With the higher limit available in 2018-19, investments of over £500,000 comprised 19% (£244m) of the total amount of EIS investment raised on which claims were made in 2018-19. Investments of between £500,000 and £1m were lower (13%) in 2018-19 compared to the previous year, suggesting that a number of existing investors from this category are utilising the newly increased limit.

Figure 7: Proportion of investors and amount of investment, by size of investment (investment on which Income Tax relief was claimed in 2018-19).



Source: Self-Assessment Returns. Figures are provisional

The data used in this section come from EIS: Table 8.5 in Annex A. Total figures provided in EIS: Table 8.5 on the amount of investment on which Income Tax relief was claimed are not directly comparable with the figures in EIS: Table 8.1 on the amount of investment reported by companies. Some investors may choose to offset the tax liability against the previous

year. A small amount of relief would also be claimed through the PAYE system; this is assumed to relate to about 5% of total EIS investment.

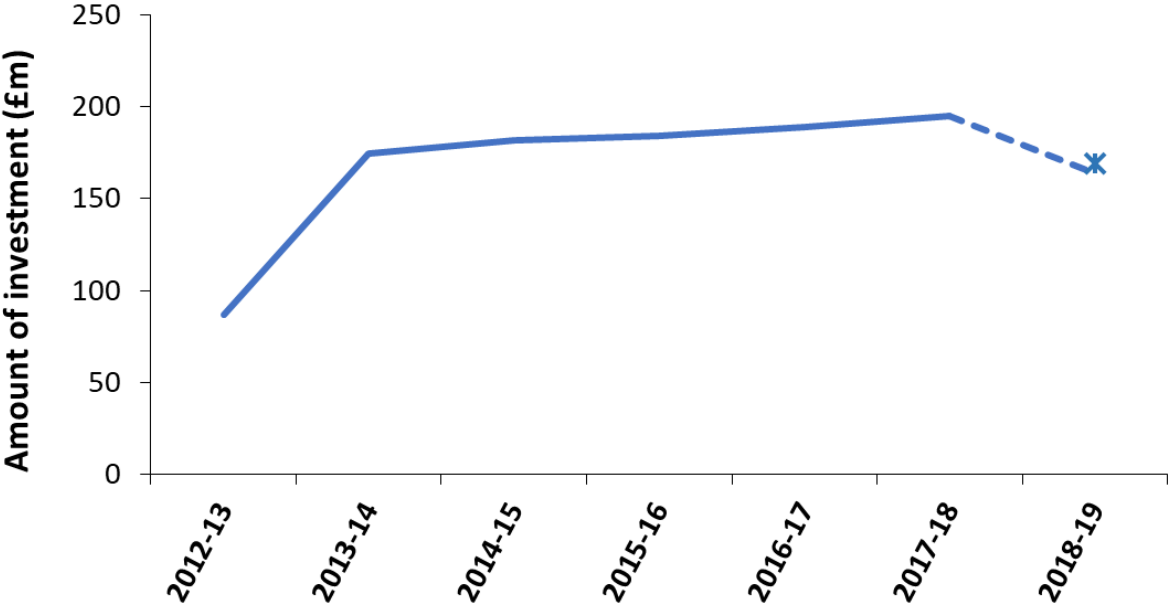
3.2 Seed Enterprise Investment Scheme

SEIS: Number of SEIS companies and amount of investment

In 2018-19, data show that 1,985 companies received investment through the Seed Enterprise Investment Scheme (SEIS) and funds worth £163 million were raised (Figure 8). Over 1,500 of these companies were raising funds under SEIS for the first time, raising a total of £140 million in investment (Figure 9). The average investment per company under SEIS in 2018-19 was around £82,000.

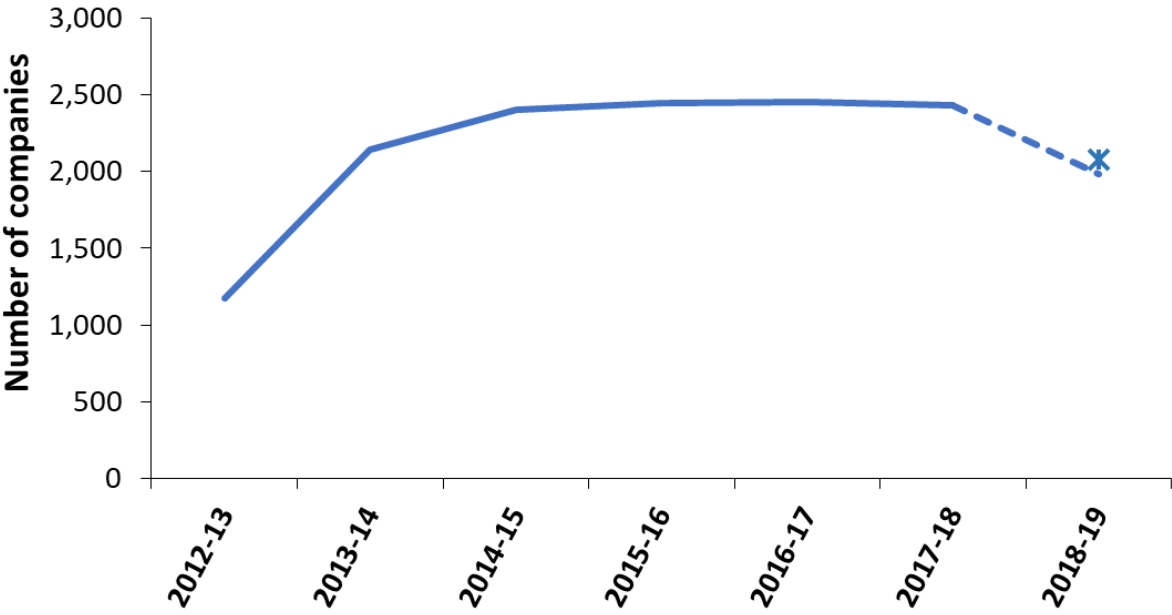
The total amount of SEIS investment in 2018-19 is lower than the previous year's figures. The risk-to-capital condition introduced a requirement for growth and development to the SEIS for the first time, and it is expected that this will have had a short-term impact before the industry adjusts. However, note that the 2018-19 figures are likely to be revised upwards as more returns are received by HMRC, so this trend may change the next time the figures are published with these returns included. For the 2017-18 figures, the total number of companies increased by 4.8% and the total amount by 3.3% from the previous publication. Assuming that this trend stays the same, we estimate there will be 2,080 companies raising a total of £169 million in funds.

Figure 8(a): Amounts of funds raised through the SEIS, 2012-13 to 2018-19.



Source: SEIS1 forms. Figures for 2018-19 are provisional. * represents estimated value after all returns processed.

Figure 8(b): Number of companies raising funds under SEIS, 2012-13 to 2018-19.



Source: SEIS1 forms. Figures for 2018-19 are provisional. * represents estimated value after all returns processed.

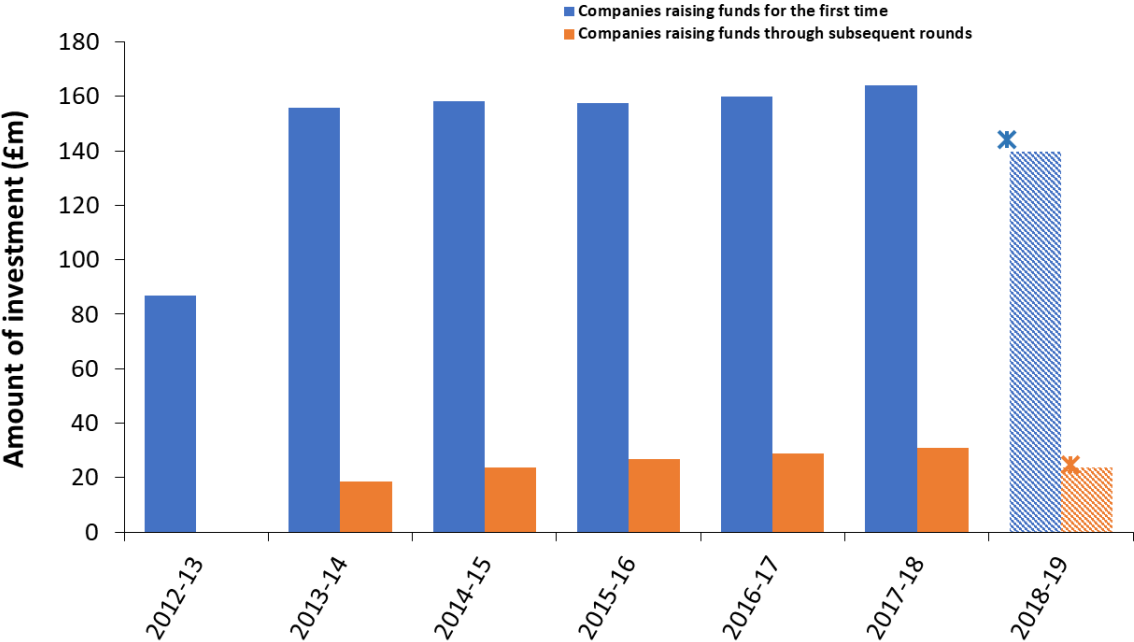
SEIS: New investment

Since the SEIS was launched in 2012-13, 12,040 individual companies have received investment through the scheme and £1,174 million in investment has been raised.

The values for 2018-19 are provisional and are therefore shaded in Figure 9. For the 2017-18 figures, the amount invested by first-time companies increased by 3.2% from the previous publication. Assuming that this trend stays the same, we estimate the amount will be £144 million for 2018-19.

The data used in this section come from SEIS: Table 8.11 in Annex A.

Figure 9: Amount of investment received through the SEIS by new companies and by companies who received investment under SEIS previously, for 2012-13 to 2018-19.



Source: SEIS1 forms. Figures for 2018-18 are provisional. * represents estimated value after all returns processed.

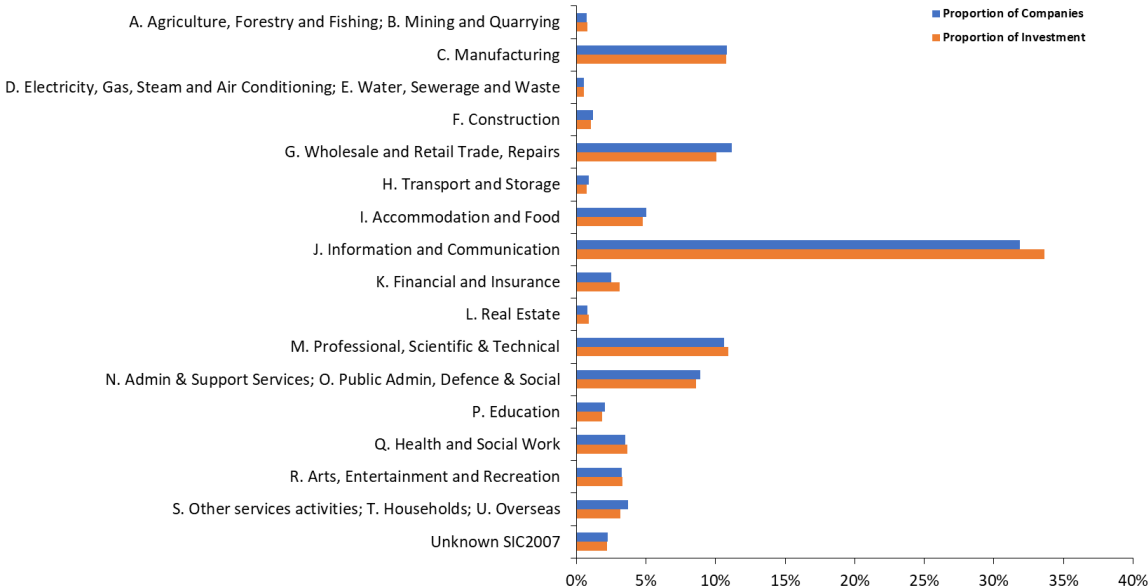
SEIS: Industry sector

In 2018-19, companies from just one sector (the Information and Communication sector) accounted for £55 million of investment, which makes up 34% of the amount of SEIS investment received (Figure 10). The next four largest sectors (the Manufacturing, the Wholesale and Retail Trade, The Professional, Scientific & Technical, and the Admin & Support Services sectors) together account for £66 million of investment (40%).

The highest number of companies receiving SEIS investment in 2018-19 was also in the Information and Communication sector, representing 32% of the total number of companies receiving investment through SEIS.

The data used in this section come from SEIS: Table 8.12 in Annex A.

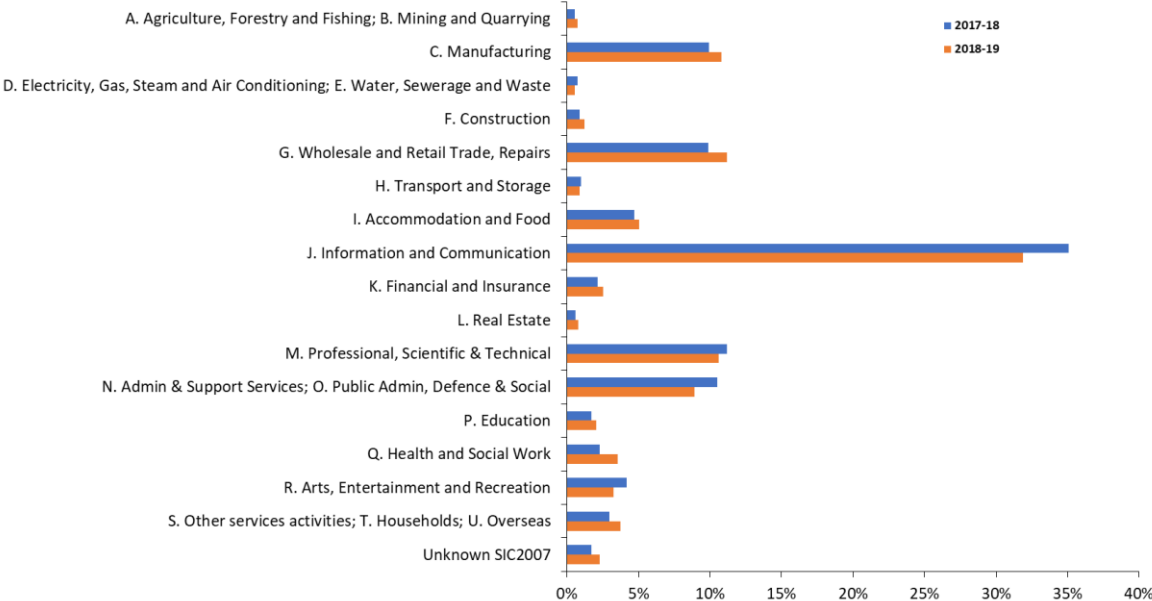
Figure 10: The percentage distribution of SEIS investment and number of SEIS companies, by sector, in 2018-19.



Source: SEIS1 forms. Figures are provisional.

The distribution of SEIS investment by industry sector in 2018-19 is similar to 2017-18 (Figure 11), with a small decrease in the Information and Communication sector. Data for the most recent year are provisional.

Figure 11: The percentage distribution of SEIS investment by industry sector in 2017-18 and 2018-19.



Source: SEIS1 forms. Figures for 2018-19 are provisional.

The sector breakdowns in this section are based on the Standard Industrial Classification (SIC) 2007⁶. It should be noted that the most recent SIC data available have been used and some companies could have changed their trade since submitting their SEIS1 forms, which explains some of the changes seen in Figure 11. SIC codes are also self-selected, and we must assume that companies have selected the right code.

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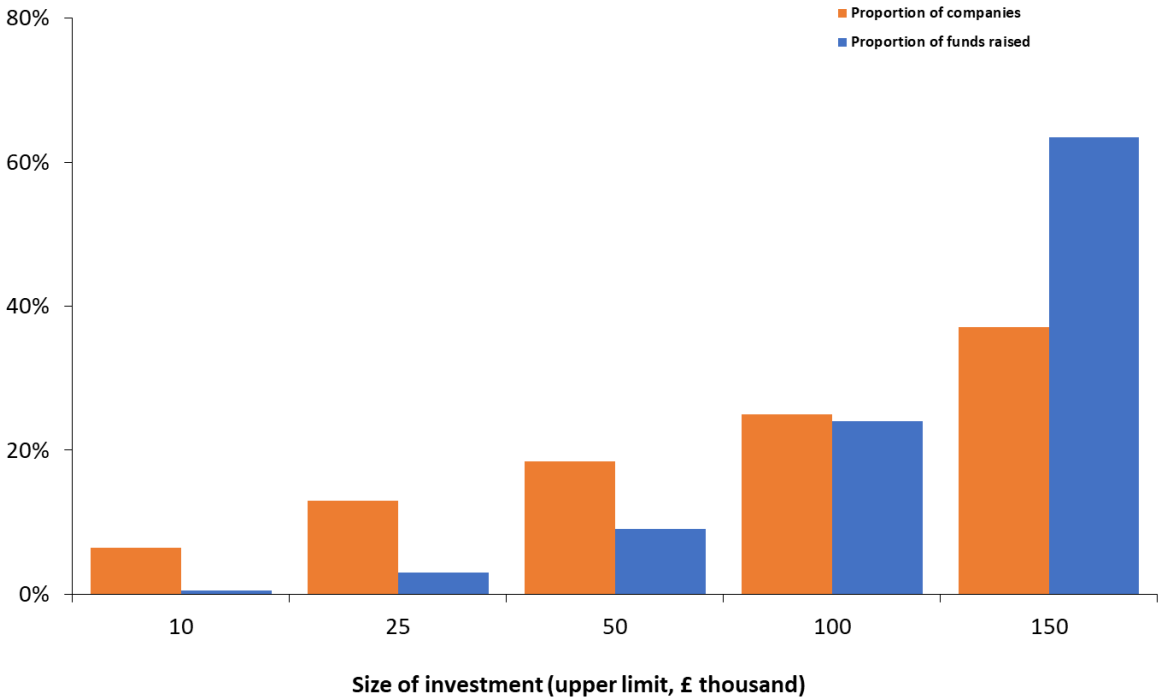
<https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007>

SEIS: Size of investment per company

The majority of companies receive investments of over £50,000 through the SEIS, with 62% of companies receiving investment of over £50,000 in 2018-19 (Figure 12). This is a similar proportion to previous years.

The data used in this section come from SEIS: Table 8.13 in Annex A.

Figure 12: Distribution of the proportion of funds raised under SEIS (number of companies and amount raised) by upper limit of size of investment (2018-19).



Source: SEIS1 forms. Figures are provisional.

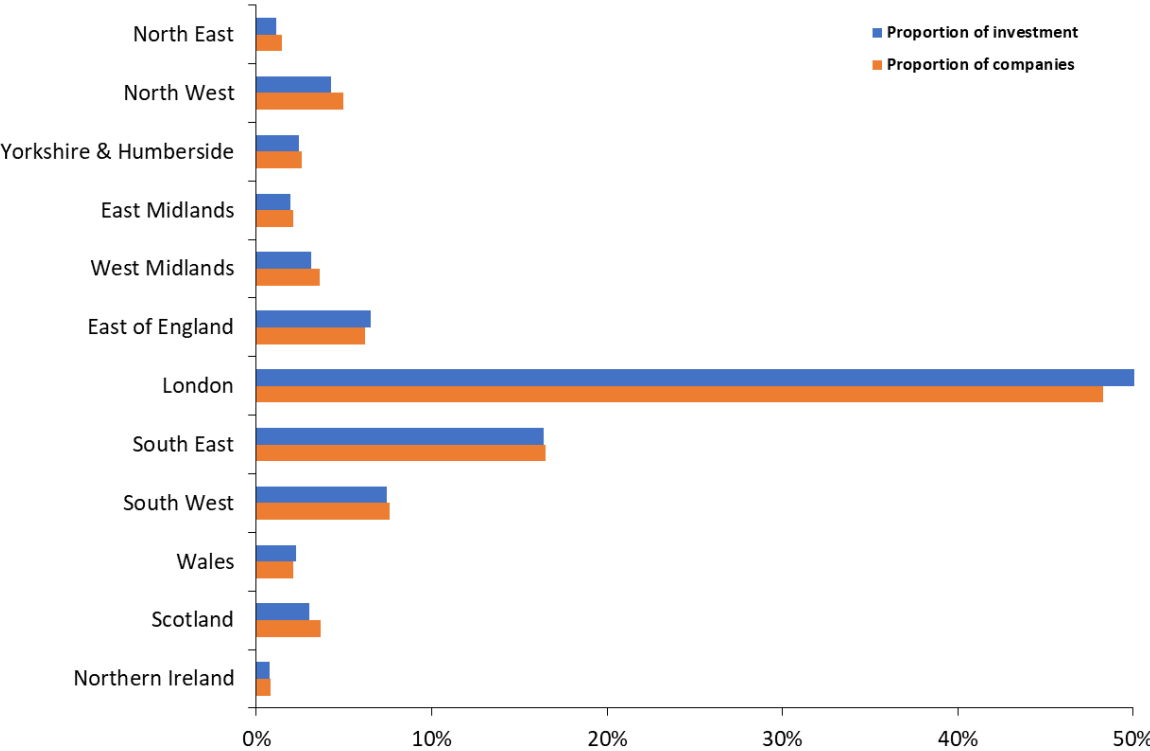
SEIS: Geographical region of company registration

The largest proportion of funds raised through SEIS was raised by companies registered in London and the South East. In 2018-19, these regions accounted for 69% of SEIS investment, which is similar to previous years (Figure 13).

The geographical distribution of SEIS investments is based on the registered address of the company raising funds. This address may place the company in a different region from the region in which the business activity is carried out. Therefore, caution should be exercised in interpreting these data.

The data used in this section come from SEIS: Table 8.14 in Annex A.

Figure 13: Distribution of the proportion of funds raised under the SEIS (number of companies and amounts raised) by region of registered address of the company (2018-19).



Source: SEIS1 forms. Figures are provisional.

SEIS: Investors claiming Income Tax relief under SEIS

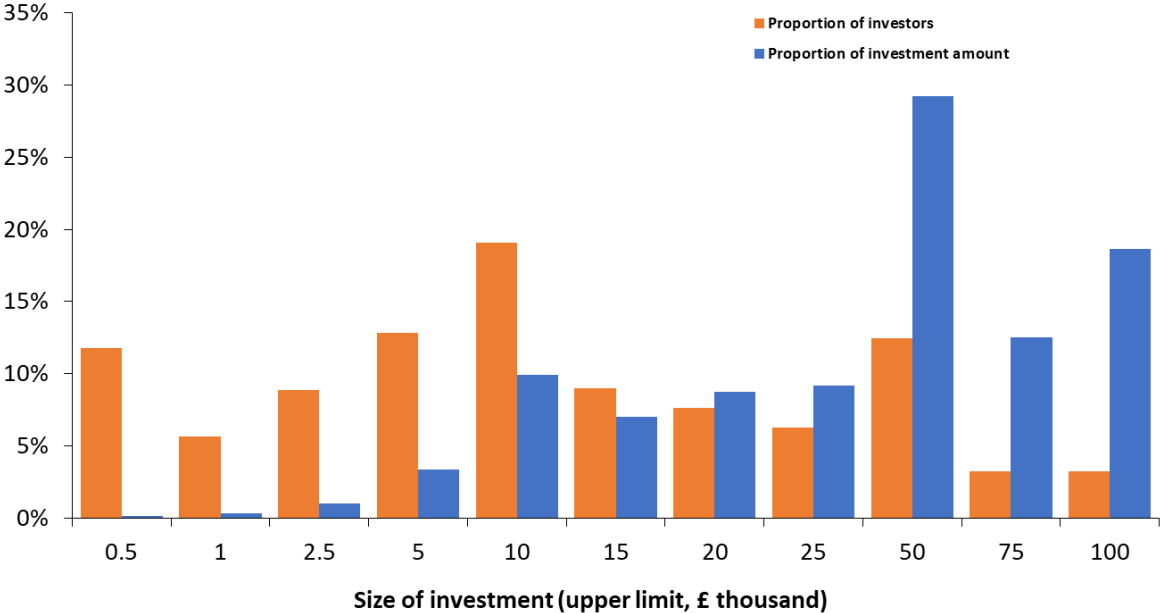
In 2018-19, 7,480 investors claimed Income Tax relief on Self-Assessment forms for the SEIS, compared to 9,080 investors in 2017-18. This is a substantial decrease from the previous two years, and as with the reduction in overall investment a likely result of the restrictions of the risk-to-capital condition. However, the figures for the most recent year are provisional and likely to be revised upwards as more returns are received by HMRC. For the 2017-18 figures, the number of investors increased by 15.26% from the previous publication. Assuming that this trend stays the same, we estimate there will be 8,645 investors for 2018-19 investing £145 million, which is much closer to the figures for 2017-18.

The majority of the investors claiming the relief invested £10,000 or less into qualifying SEIS companies (58% of investors).

Investments of over £25,000 contributed 60% of the total amount of SEIS investment raised on which claims were made, which is very similar to 2017-18 (Figure 14). In the figure, data for 2018-19 are still provisional.

The data used in this section come from SEIS: Table 8.15 in Annex A.

Figure 14: Proportion of the number of investors and amount of investment claimed for SEIS in 2018-19.



Source: Self-Assessment Returns. Figures are provisional.

Total figures provided in SEIS: Table 8.15 in Annex A on the amount of investment on which Income Tax relief was claimed are not directly comparable with the figures in SEIS: Table 8.11 on the amount of investment reported by companies. Some investors may choose to offset the tax liability against the previous year. A small amount of relief would also be claimed through the PAYE system; this is assumed to relate to about 5% of total SEIS investment.

3.3 Social Investment Tax Relief

SITR: Number of social enterprises and amount of investment

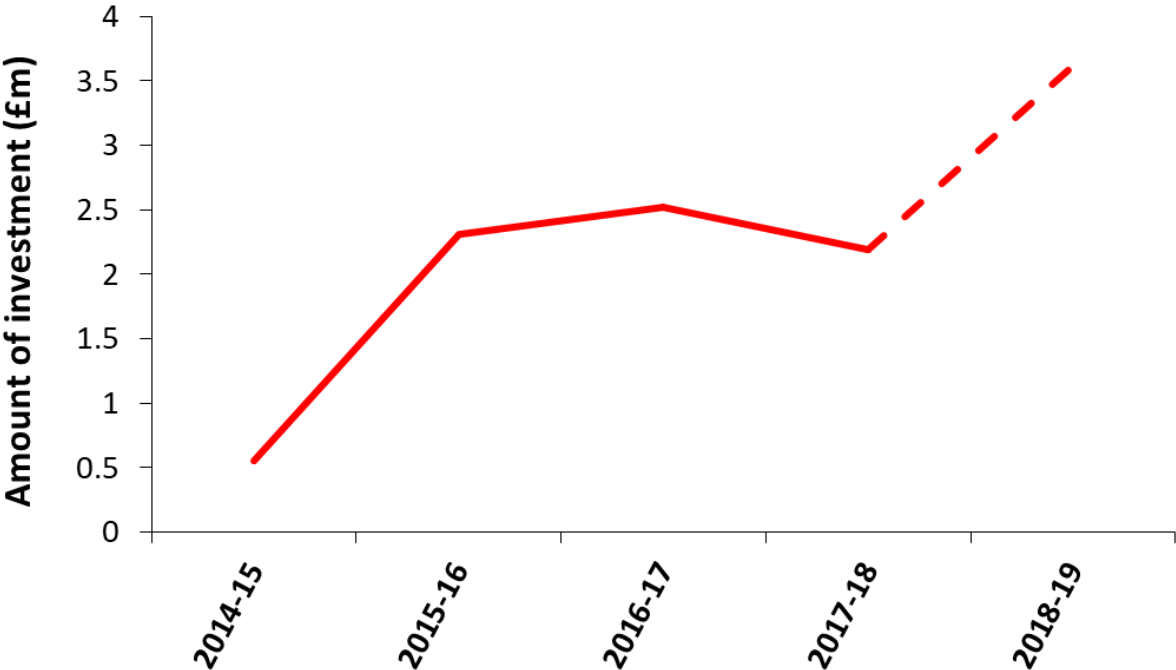
Data show that in 2018-19, 75 social enterprises received investment through the Social Investment Tax Relief (SITR) scheme and £3.6 million of funds were raised, as shown in Figure 15. Funds are raised through equity investment (shares) and debt investment (loans). This is a substantial increase on the previous year, where 25 social enterprises raised £2.2 million in total. The increase may be due to increased awareness of SITR, resulting from the government's consultation on the scheme in Summer 2018 and external organisation campaigns to increase uptake. However, with a relatively short time series, there may be some volatility in the amounts of funds raised each year. In future years, it should be possible to understand these trends in greater detail.

In 2017, the amount of investment younger qualifying social enterprises could raise through SITR was increased to £1.5 million. At the same time, restrictions on employee numbers and qualifying trades were introduced to make sure the scheme was well targeted and continued to comply with state aid requirements. Among the amendments was the exclusion of activities such as asset leasing, lending, and operating nursing and residential care homes.

The data can be found in SITR: Table 8.21 in Annex A.

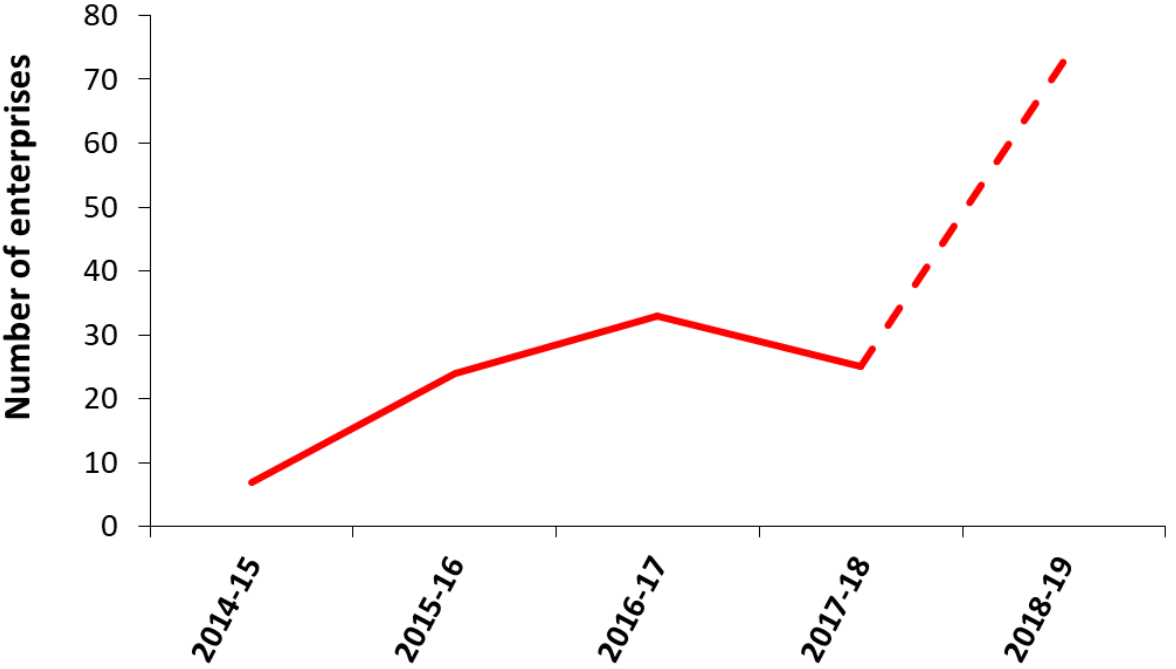
Since SITR was launched in 2014-15, 110 social enterprises have received investment through the scheme. This number is not included in SITR: Table 8.21, but it represents the number of unique social enterprises (enterprises that received funds in more than one year have only been counted once). These enterprises have raised a total of £11.2 million in funds.

Figure 15(a): Amounts of funds raised through SITR, 2014-15 to 2018-19.



Source: SITR1 forms. Figures for 2018-19 are provisional.

Figure 15(b): Number of enterprises raising funds under SITR, 2014-15 to 2018-19.



Source: SITR1 forms. Figures for 2018-19 are provisional.

Section 4: Advance Assurance Requests (AARs)

Companies considering using the EIS, SEIS or SITR can obtain advance assurance that HMRC will regard the shares to be issued as satisfying the requirements of the scheme.

These statistics show the number of companies seeking advance assurance, the number of AAR applications received, and, of these, how many were approved, rejected, or not pursued further. Statistics are presented from 2006-07 for the EIS, 2012-13 for the SEIS and 2014-15 for SITR.

There are a number of ways in which the statistics may differ from those presented on the number of companies receiving investment through the various schemes shown in Section 3. For example:

- The advance assurance process is not mandatory so not all companies put forward AARs before submitting compliance statements.
- There will also be instances where a company does not go on to use the EIS, SEIS or SITR despite having an advance assurance application approved, including where the legislation changes before an investment can be made.

For some companies, which we have collected in the category 'Not pursued', they may choose not to continue with the application after receiving a request for more information from HMRC in response to their initial application.

Applications are received throughout the year, and some may be dealt with in subsequent financial years. This can particularly be the case for those received late in the year, for example in March when there is often a higher flow of applications.

Advance Assurance Requests are both non-statutory and discretionary, and so the figures here will not match the number of completed applications. Due to increasing demand and limited resource, a consultation exercise was conducted in late 2017 about managing the AA service. One of the outcomes was: "From 2 January 2018 we will not provide an advance assurance on speculative applications. More than a third of the advance assurances we provide do not result in an investment. To ensure HMRC resources are used efficiently, therefore, we will only provide an opinion where the application names the individual(s), fund manager(s) or other promoter(s) who are expected to make the investment. Though we do not expect the company making the application to have formalised offers of investment, we do expect the company to have approached potential investors before making the advance assurance application to determine the likelihood that they will attract actual investment."⁷

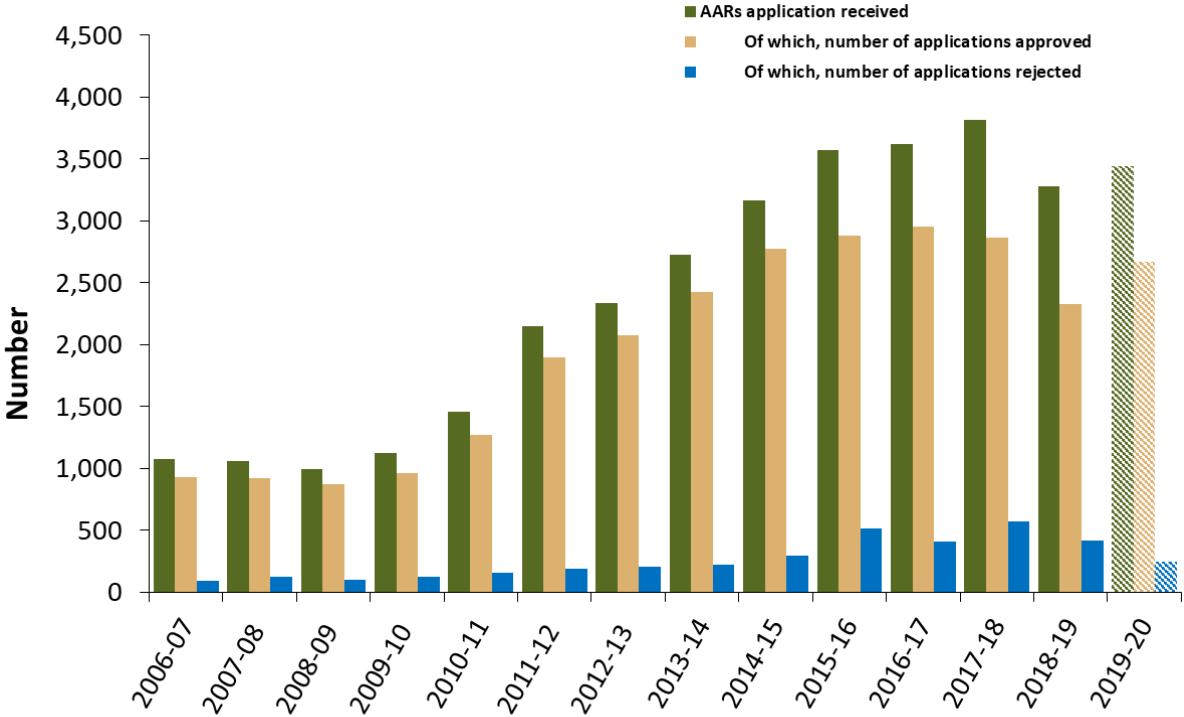
7

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/663935/Tax-advantaged_venture_capital_schemes-streamlining_advance_assurance_service-Gov_response.pdf

EIS: Number of AARs received and outcomes

In 2019-20, HMRC received 3,440 advance assurance applications for the EIS, an increase of 165 from 2018-19. A number of the applications for 2019-20 are still being processed, but as of April 2020, 75% have been approved so far. Of the 3280 applications received in 2018-19, 2,330 (71%) have been approved (Figure 16), of which 2,072 (63%) had been approved by this time last year.

Figure 16: Number of EIS advance assurance applications received, approved and rejected, from 2006-07 to 2019-20



Source: EIS/SEIS (AA). Figures for 2019-20 are provisional.

Since 2006-07, there have been a total of 34,415 AAR applications received and of these 28,305 (82%) have so far been approved. This number will rise slightly as applications received in 2019-20 (particularly those in the final quarter of the period) are processed by HMRC. However, in-year approvals in 2019-20 are considerably higher than in 2018-19, suggesting the new HMRC guidance on AAR applications mentioned above has enabled more prompt assessment of applications and that the industry is adjusting to the risk-to-capital condition. Revisions to the number of approvals may occur where a company amends an AAR in response to a request for further information. In some instances, a company may choose not to proceed with the AAR after this request.

The data used in this section come from EIS Table 8.1a in Annex A.

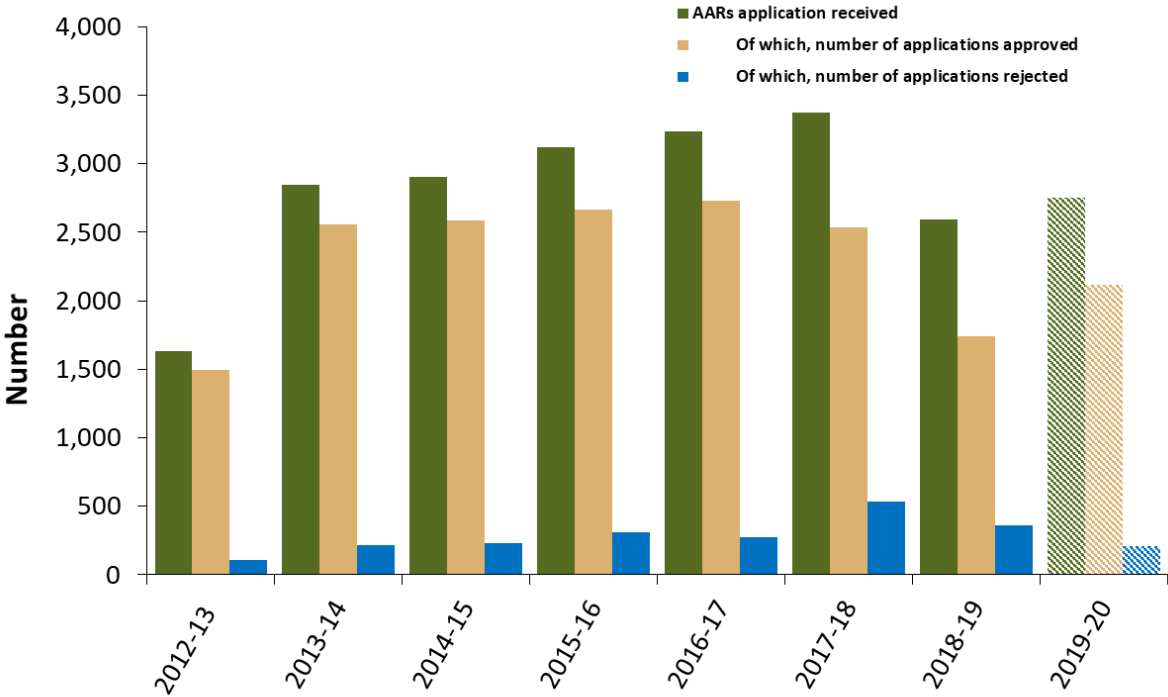
SEIS: Number of AARs received and outcomes

In 2019-20 HMRC received 2,755 SEIS AAR applications, an increase of 160 from 2018-19. A number of the applications for 2019-20 are still being processed, but as of April 2020, 75% had been approved. In 2018-19 there were 2,590 SEIS AAR applications and of these 1,740 (67%) have been approved, with 2,360 (61%) having been approved by this time last year (Figure 17).

In total since 2012-13, 22,475 AAR applications have been received for the SEIS, of which 18,450 (82%) have been approved. This number will rise as applications received in 2019-20 (particularly those in the final quarter of the period) are processed by HMRC. As with EIS, these estimates may be subject to small revisions.

The data used in this section come from SEIS: Table 8.11a in Annex A.

Figure 17: Number of SEIS advance assurance applications received, approved and rejected, from 2012-13 to 2019-20



Source: EIS/SEIS (AA). Figures for 2019-20 are provisional.

SITR: Number of AARs received and outcomes

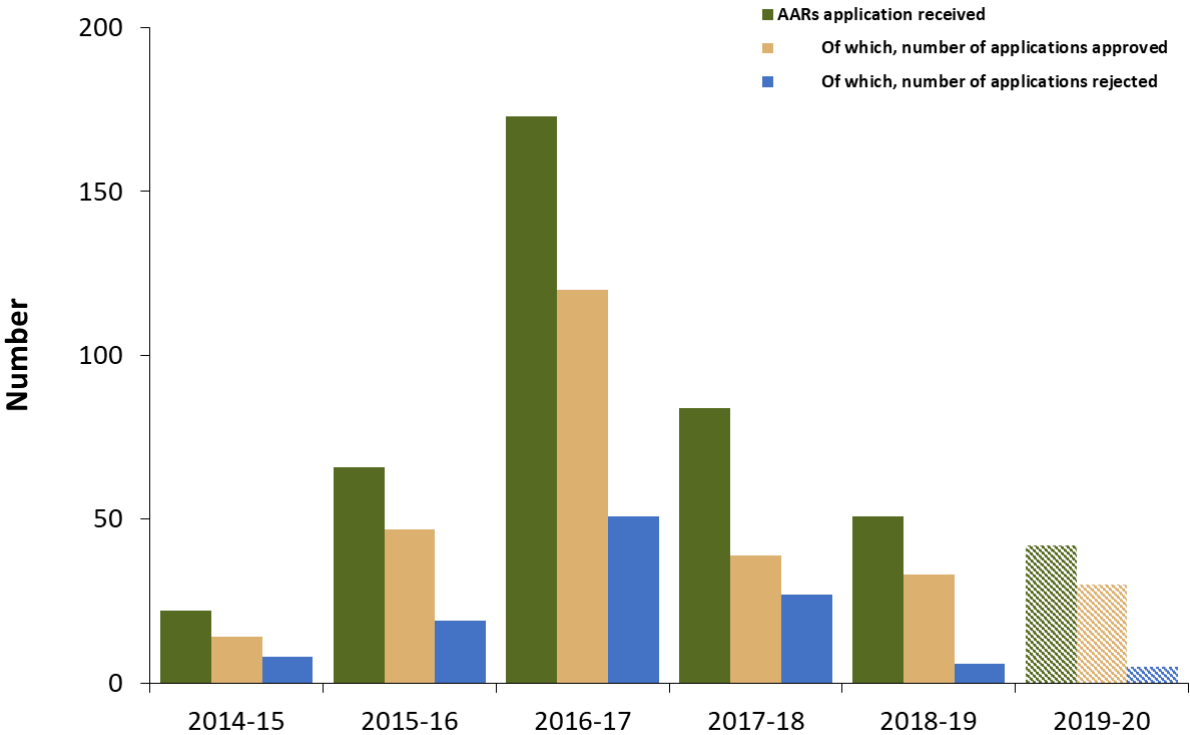
In 2019-20, there were 40 SITR AAR applications. This is lower again than 2018-19, which itself was far lower than the numbers received in the three years prior. Whilst this figure is provisional, the reduction in applications probably reflects changes in the SITR rules which took effect from 6 April 2017. The changes included an increase in the maximum amount of investment a younger social enterprise may receive at any time, to £1.5 million, subject to a lifetime limit of the same amount. Certain activities such as leasing, energy and on-lending activities were excluded, and anti-abuse provisions were also introduced. As of April 2020, 30 out of 40 applications for 2019-20 have been approved. The reduction in AARs could be a combination of the impact of the risk-to-capital condition arising from the Patient Capital Review as described in more detail on page 32, and the move to no longer accept speculative applications (these would be returned unread).

In 2018-19, there were 50 SITR AAR applications and, of these 35 (65%) have been approved (Figure 18). At this stage last year, 51% of the 2018-19 applications had been approved.

In total since 2014-15, 440 SITR AAR applications have been received, of which 285 (65%) have been approved. This number will likely rise as applications received in 2019-20 (particularly those in the final quarter of the year) are processed by HMRC.

The data used in this section come from SITR: Table 8.21a in Annex A.

Figure 18: Number of SITR advance assurance applications received, approved and rejected, from 2014-15 to 2019-20



Source: SITR (AA). Figures for 2019-20 are provisional.

Section 5: Background information

Policy background

The Enterprise Investment Scheme (EIS), Seed Enterprise Investment Scheme (SEIS) and Social Investment Tax Relief (SITR) are three of the four tax-based venture capital schemes, the other being the Venture Capital Trust (VCT) scheme.

The EIS was introduced in 1994 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.

The SEIS was introduced in 2012 to complement the EIS and is intended to recognise the particular difficulties which very early stage companies face in attracting investment by offering tax relief at a higher rate than that offered by the EIS.

The SITR was introduced in 2014 to help social enterprises raise money for their business activities by offering tax relief to investors. The investment may be in the form of equity investment (shares) or debt investment (loans).

An amendment to tax-advantaged venture capital schemes, including the EIS and SEIS, was published at Summer Budget 2015. Further information on these changes is available here: <https://www.gov.uk/government/publications/income-tax-amendments-to-tax-advantaged-venture-capital-schemes>

Changes to exclude energy generation from the EIS, SEIS and SITR schemes were announced at Autumn Statement 2015: <https://www.gov.uk/government/publications/income-tax-exclusion-of-energy-generation-from-venture-capital-schemes>

Changes to SITR were announced at Autumn Statement 2016 to increase the investment limit and improve the targeting of the scheme. Further information is available here: <https://www.gov.uk/government/publications/income-tax-enlarging-social-investment-tax-relief>

The Patient Capital Review was announced in November 2016 and began in January 2017. Its final recommendations were presented ahead of Autumn Budget 2017. The review broadly sought to make sure that all the money being raised using the tax-advantaged venture capital schemes (the SEIS, EIS and VCT scheme) was being invested to meet the long-term funding requirements of small UK companies, on top of investors' desires for capital growth enhanced by tax efficiencies. Further information is available here: <https://www.gov.uk/government/publications/patient-capital-review>

The Patient Capital Review (<https://www.gov.uk/government/consultations/financing-growth-in-innovative-firms>) led to changes introduced in the Finance Act 2018 which included further flexibility for knowledge-intensive companies (EIS and VCTs) and the

introduction of a new 'risk-to-capital condition' (EIS, SEIS and VCTs) to re-direct investment from low-risk areas and focus on supporting companies with a high growth potential. The risk-to-capital condition ensures that the tax-advantaged venture capital schemes are focused on investment in early-stage companies that have the intention to grow and develop in the longer term. It aims to discourage tax-motivated investments, such as where the tax relief provides most of the return for an investor, with limited risk to the original investment (that is, preserving an investor's capital), or where the investments are used to deliver one or more projects without the intention to grow a trade that will operate in the long term.

The Official and National Statistics for the VCT scheme can be found here:

<https://www.gov.uk/government/collections/venture-capital-trusts-statistics>

Data sources

The statistics in this release are compiled using data collected from companies' EIS1, SEIS1 and SITR1 returns. All figures in this release are based on data extracted in April 2020.

The returns, also known as 'compliance statements', are statutory declarations that the company is compliant with the conditions of the EIS, SEIS or SITR scheme. The data cover all EIS1, SEIS1 and SITR1 returns received by HMRC and approved by the Venture Capital Reliefs Team (VCRT) that administers the schemes. The VCRT decides if a company and a share issue qualifies.

Companies have to submit an EIS1/SEIS1 form for each share issue where EIS or SEIS relief is to be claimed. The EIS1 and SEIS1 forms include details of investors who have indicated they will be claiming EIS/SEIS relief and the amount invested. The forms also include details of the date the shares were issued; these dates are used in the production of the statistics to record the investments within particular tax years. Social enterprises have to submit similar information under the SITR scheme using the SITR1 form.

Income Tax Self-Assessment returns are used to collect EIS and SEIS investor level information. Some investors will invest in both schemes in the same tax year. This information will not cover investors making Income Tax relief claims through other systems (e.g. PAYE) or not making any claims. These data were extracted in April 2020.

Data on Advance Assurance Requests (AARs) are collected by the VCRT and compiled from AAR applications. The data cover all the AAR applications handled by the VCRT. The VCRT advises enterprises considering using the venture schemes about whether HMRC will regard their planned share issues, loans and business activities as satisfying the requirements of the scheme. AAR data were extracted in April 2020.

Initial statistical checks carried out on the data include:

- Plausibility checking that the amount of the investment has a realistic value. Any record showing a very high amount is referred back to VCRT, which will check on these cases;

- Checking that the companies correspond to the company registration number. In case of inconsistencies, the correct information is retrieved from the Companies House Database or VCRT; and
- Checking all duplicate records, i.e. individual companies' records with the same issue date and amount of investment are checked with VCRT.

Once the data from EIS1/SEIS1/SITR1 forms have been extracted from the analysis database:

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

Methodology and reliability of the estimates

Tables 8.1 to 8.4, tables 8.11 to 8.14 and table 8.21 include every case captured via EIS1, SEIS1 and SITR1 forms respectively. The Self-Assessment tables (EIS Table 8.5 and SEIS Table 8.15) include every case captured via Self-Assessment returns. The AAR table includes all AAR cases handled by the SCEC. As no sampling is necessary, sampling error is not an issue.

Sources of error in the published statistics include:

- The EIS/SEIS/SITR companies have a period of several years after shares are issued to submit a compliance statement. Therefore, there are a small number of returns submitted later which add to the existing data and can therefore result in minor revisions to previously published figures. Accordingly, some revisions have been made to EIS/SEIS figures prior to 2018-19.
- This release provides figures on the number of investors and the amount claimed through Self-Assessment in value terms. The EIS and SEIS investors can claim Income Tax relief up to five years after the 31 January following the tax year in which the investment was made. Therefore, in the next year's publication, a small number of late claims will result in minor revisions to previously published figures, particularly to the provisional figures for 2018-19.
- Data capture errors: companies may make errors entering their information on the EIS1/SEIS1/SITR1 forms. 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 investigated (and potentially altered) in the analysis database before the statistics are produced.

Revisions to previously published tables

Companies' funds raised 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. As a result, there is no specific point at which claims for the latest years can be considered as complete or final. In practice, the statistics are first published as provisional one year after the tax year being presented and subsequently revised in the following releases of the statistics. However, where the revision to a year is particularly small and would lead to the potential disclosure of individual companies, these revisions will be suppressed (based on our standard approach to statistical disclosure control) until a subsequent release.

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 submitted later.

Statistical Tables

Last year the AAR tables were included in the relevant main file (EIS, SEIS or SITR), a departure from previous years. We have continued to include the AAR tables within the main file this year.

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 and Official Statistics and identify gaps in the statistics that we produce.

This is the third year that we have published the statistics on the EIS, SEIS and SITR as an annual release, combining the previous April and October publications. This allows us to provide breakdowns of the EIS and SEIS data earlier in the year and makes it easier for users to find the statistics that they need.

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

UKSA Assessment

The EIS and SEIS National Statistics have been assessed for compliance with the Code of Practice for Official Statistics by the UK Statistics Authority (UKSA). The assessment report is available on the UKSA website:

<https://www.statisticsauthority.gov.uk/archive/assessment/assessment/assessment-reports/>

The SIC breakdowns and SITR statistics have not yet been assessed by UKSA and are therefore classified as Official Statistics rather than National Statistics.

The UKSA is an independent body directly accountable to Parliament with the overall objective to promote and safeguard the production and publication of official statistics. It is also required to promote and safeguard the quality and comprehensiveness of official statistics and good practice in relation to official statistics.

Contact points

Enquiries about these statistics should be directed to the responsible statisticians:

Max Rowe-Brown and George Dobson

KAI Direct Business Taxes

HM Revenue & Customs

Room 3/60

100 Parliament Street

London SW1A 2BQ

Telephone: 03000 523125

03000 570384

Email: venturecapital.statistics@hmrc.gov.uk

For enquiries relating to the EIS, SEIS and SISR schemes, please contact the HMRC Venture Capital Reliefs Team:

Venture Capital Reliefs Team

HM Revenue & Customs

WMBC

BX9 1BN

e-mail: enterprise.centre@hmrc.gov.uk

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

Annex A: Statistical reference tables

EIS: Table 8.1

Enterprise Investment Scheme

Table 8.1 Number of companies raising funds, number of subscriptions and amounts raised from 1993-94 to 2018-19¹

Claims data received by April 2020²

Year	Numbers: actual; Amounts: £million							
	Companies raising funds for first time	Knowledge intensive companies raising funds ³	All companies raising funds	Subscriptions ⁴	Companies raising funds for first time	Knowledge intensive companies raising funds ³	All companies raising funds	
	Number	Number	Number	Number	Amount	Amount	Amount	
1993-94	75	-	75	480	4	-	4	
1994-95	400	-	425	4,970	39	-	41	
1995-96	440	-	550	5,140	46	-	53	
1996-97	475	-	650	11,820	73	-	94	
1997-98	530	-	725	11,410	85	-	113	
1998-99	1,035	-	1,265	15,330	238	-	294	
1999-00	1,640	-	2,105	29,340	463	-	614	
2000-01	2,375	-	3,315	45,780	668	-	1,065	
2001-02	1,685	-	2,855	25,480	419	-	761	
2002-03	1,340	-	2,455	27,635	372	-	667	
2003-04	1,150	-	2,175	28,125	334	-	627	
2004-05	1,210	-	2,190	32,360	325	-	606	
2005-06	1,155	-	2,140	31,525	306	-	648	
2006-07	1,150	-	2,170	39,695	377	-	733	
2007-08	1,130	-	2,205	37,135	366	-	707	
2008-09	940	-	1,920	23,545	288	-	518	
2009-10	990	-	1,975	25,960	363	-	623	
2010-11	1,070	-	2,025	32,430	312	-	549	
2011-12	1,565	-	2,680	88,865	691	-	1,034	
2012-13	1,195	-	2,475	64,120	577	-	1,034	
2013-14	1,415	-	2,850	123,140	897	-	1,592	
2014-15	1,745	-	3,380	154,475	1,125	-	1,930	
2015-16 ^f	1,725	-	3,575	184,810	1,073	-	1,976	
2016-17 ^r	1,625	-	3,665	166,330	849	-	1,908	
2017-18 ^{pr}	1,830	-	4,080	196,100	814	-	2,001	
2018-19 ^p	1,470	145	3,905	203,575	504	95	1,824	
All years	31,365	145	**	1,609,565	11,608	95	22,016	

Source: EIS1 forms

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. Companies have a period of several years after shares are issued to submit an EIS1 compliance statement. Therefore data for 2018-19 is provisional and subject to change due to claims not yet received, whereas claims received for 2019-20 are currently excluded. Figures for 2017-18 are also subject to future revisions.

3. HMRC introduced new rules for knowledge intensive companies in 2018, allowing them to claim more investment than the standard EIS scheme. See the commentary for more details.

4. The number of subscriptions is not equal to the number of investors as an individual can invest in more than one company.

** The total is not given as companies may raise funds in more than one year.

This table is classified as National Statistics.



EIS: Table 8.2

Enterprise Investment Scheme

Table 8.2: Number of companies and amounts of funds raised, by industry (SIC2007), from 2016-17¹ to 2018-19^p

Claims data received by April 2020²

Industry ³	Numbers: actual; Amounts: £million					
	2016-17 ^r		2017-18 ^f		2018-19 ^p	
	Number	Amount	Number	Amount	Number	Amount
A. Agriculture, Forestry and Fishing; B. Mining and Quarrying	20	9	20	16	20	12
C. Manufacturing	410	179	470	190	500	237
D. Electricity, Gas, Steam and Air Conditioning; E. Water, Sewerage and Waste	40	48	20	20	25	16
F. Construction	40	49	25	16	25	8
G. Wholesale and Retail Trade, Repairs	410	172	450	172	410	146
H. Transport and Storage	30	34	35	33	20	7
I. Accommodation and Food	155	97	175	92	135	60
J. Information and Communication	1,165	677	1,285	649	1,225	543
K. Financial and Insurance	140	89	175	122	165	127
L. Real Estate	35	13	35	13	35	18
M. Professional, Scientific & Technical	585	253	645	292	615	330
N. Admin & Support Services; O. Public Admin, Defence & Social	265	131	305	136	290	136
P. Education	55	18	60	26	65	21
Q. Health and Social Work	55	22	80	46	65	29
R. Arts, Entertainment and Recreation	105	41	105	49	100	40
S. Other services activities; T. Households; U. Overseas	60	32	95	81	85	30
Unknown SIC2007	95	44	100	47	115	61
Total	3,665	1,908	4,080	2,001	3,905	1,824

Source: EIS1 forms, Inter-Departmental Business Register (IDBR) survey and Companies House database

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. Companies have a period of several years after shares are issued to submit an EIS1 compliance statement. Claims received for 2019-20 are currently excluded.

3. Standard Industry Classification 2007 (SIC 2007) codes are used to identify the type of trade carried out by the company. The resulting figures should be treated with caution because the most recent SIC 2007 data have been used and some companies could have changed their trade since submitting their EIS1 forms.

This table is classified as Official Statistics.

EIS: Table 8.3

Enterprise Investment Scheme

Table 8.3: Number of companies and amount of funds raised, by size of funds, from 2016-17¹ to 2018-19^p

Claims data received by April 2020²

Size of funds raised per company (Upper limit)	Numbers: actual; Amounts: £million						
	£	2016-17 ^r		2017-18 ^r		2018-19 ^p	
		Number	Amount	Number	Amount	Number	Amount
10,000	135	1	155	1	155	1	
25,000	220	4	230	4	205	4	
50,000	345	14	415	17	345	14	
100,000	530	41	565	43	520	41	
150,000	365	47	405	52	420	53	
200,000	285	50	310	55	290	51	
250,000	255	58	260	59	240	54	
300,000	175	49	210	59	215	60	
350,000	140	45	165	53	170	55	
400,000	115	44	130	49	155	58	
450,000	105	45	115	49	95	40	
500,000	95	46	130	62	90	44	
750,000	275	168	310	191	340	208	
1,000,000	165	145	175	155	215	186	
1,250,000	85	97	120	135	115	126	
1,500,000	80	107	55	78	70	96	
1,750,000	45	75	60	99	60	93	
2,000,000	20	36	50	95	35	66	
3,000,000	100	237	90	226	110	258	
4,000,000	35	128	50	179	35	131	
5,000,000	100	474	70	341	20	98	
10,000,000	-	-	-	-	15	87	
Total		3,665	1,908	4,080	2,001	3,905	1,824

Source: EIS1 forms

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. Companies have a period of several years after shares are issued to submit an EIS1 compliance statement. Claims received for 2019-20 are currently excluded.

3. From 2018, changes to the rules on knowledge intensive companies increased the annual investment limit to £10m for such companies. This year's publication is the first to include the higher limit.

This table is classified as National Statistics.



EIS: Table 8.4

Enterprise Investment Scheme

Table 8.4: Number of companies and amount of funds raised, by region, from 2016-17¹ to 2018-19^P

Claims data received by April 2020²

Government Office Region ³	Numbers: actual; Amounts: £million					
	2016-17 ^r		2017-18 ^r		2018-19 ^p	
	Number	Amount	Number	Amount	Number	Amount
England	3,360	1,772	3,760	1,887	3,590	1,691
- North East	70	21	60	20	40	14
- North West	215	124	250	131	190	81
- Yorkshire & the Humber	80	38	100	60	90	40
- East Midlands	80	36	85	40	90	31
- West Midlands	120	46	120	55	120	43
- East	270	121	335	132	340	193
- London	1,725	1,060	1,930	1,049	1,850	893
- South East	585	228	635	283	650	300
- South West	215	99	245	117	225	95
Wales	70	29	80	30	80	39
Scotland	185	83	195	72	190	80
Northern Ireland	40	12	35	10	35	14
Channel Islands / Isle of Man	10	10	*	*	*	*
Unknown	*	*	*	*	*	*
Total	3,665	1,908	4,080	2,001	3,905	1,824

Source: EIS1 forms

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. Companies have a period of several years after shares are issued to submit an EIS1 compliance statement. Claims received for 2019-20 are currently excluded.

3. The regional breakdown is based on the registered address of the company, which may differ from the region in which the investment took place.

* Redacted in accordance with HMRC's policies on dominance and disclosure.

For more information on GOR codes see www.ons.gov.uk



This table is classified as National Statistics.

EIS: Table 8.5

Enterprise Investment Scheme

Table 8.5: Income tax relief, distribution of investors and amount of investment on which relief was claimed from 2016-17¹ to 2018-19^P

Claims data received by April 2020²

Size of investment in year (Upper limit)	Numbers: actual; Amounts: £million						
	£	2016-17 ^r		2017-18 ^r		2018-19 ^P	
		Number	Amount	Number	Amount	Number	Amount
500	2,140	1	2,680	1	2,915	1	
1,000	1,545	1	2,010	2	2,075	2	
2,500	2,520	4	3,005	5	3,130	5	
5,000	3,250	13	3,630	15	3,570	14	
10,000	4,725	38	5,045	41	4,705	38	
15,000	2,820	36	3,155	40	2,915	36	
20,000	2,325	42	2,505	45	2,275	41	
25,000	2,190	51	2,395	56	2,160	50	
50,000	5,300	199	5,460	205	4,710	176	
75,000	2,155	132	2,205	135	1,860	113	
100,000	1,505	136	1,475	133	1,160	104	
150,000	1,285	159	1,275	157	1,045	128	
200,000	685	121	655	114	540	95	
250,000	370	85	385	86	270	61	
300,000	255	71	245	67	195	53	
350,000	145	47	160	51	115	38	
400,000	105	39	95	35	100	38	
450,000	90	37	100	42	55	24	
500,000	75	37	75	37	55	27	
750,000	150	92	165	101	150	91	
1,000,000	165	155	195	183	95	87	
1,500,000	-	-	-	-	25	31	
2,000,000	-	-	-	-	20	36	
Total		33,795	1,497	36,915	1,551	34,145	1,288

Source: Self Assessment Returns

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

Total figures provided in this table are not directly comparable with the figures in Table 8.1. For more information please refer to the commentary note.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. From 2018, changes to the rules on knowledge intensive companies increased the individual annual investment limit to £2m when investing in such companies.

This year's publication is the first to include the higher limit.

This table is classified as National Statistics.



SEIS: Table 8.11

Seed Enterprise Investment Scheme

Table 8.11 Number of companies raising funds, number of subscriptions and amounts raised from 2012-13 to 2018-19¹

Claims data received by April 2020²

Year	Numbers: actual; Amounts: £million				
	Companies raising funds for first time	All companies raising funds	Subscriptions ³	Companies raising funds for first time	All companies raising funds
	Number	Number	Number	Amount	Amount
2012-13	1,175	1,175	7,855	87	87
2013-14 ^f	1,820	2,140	32,885	156	174
2014-15 ^f	1,910	2,405	34,190	158	182
2015-16 ^f	1,875	2,445	30,665	157	184
2016-17 ^f	1,890	2,455	27,900	160	189
2017-18 ^{pf}	1,840	2,430	37,920	164	195
2018-19 ^p	1,530	1,985	24,675	140	163
All years	12,040	**	196,095	1,022	1,174

Source: SEIS1 forms

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. Companies have a period of several years after shares are issued to submit an SEIS1 compliance statement. Therefore data for 2018-19 is provisional and subject to change due to claims not yet received, whereas claims received for 2019-20 are currently excluded. Figures for 2017-18 are also subject to future revisions.

3. The number of subscriptions is not equal to the number of investors as an individual can invest in more than one company.

** The total is not given as companies may raise funds in more than one year.

This table is classified as National Statistics.



SEIS: Table 8.12

Seed Enterprise Investment Scheme

Table 8.12: Number of companies and amounts of funds raised, by industry (SIC2007), from 2015-16¹ to 2018-19^p

Claims data received by April 2020²

Industry ³	Numbers: actual; Amounts: £million					
	2016-17 ^r		2017-18 ^r		2018-19 ^p	
	Number	Amount	Number	Amount	Number	Amount
A. Agriculture, Forestry and Fishing; B. Mining and Quarrying	15	2	15	1	15	1
C. Manufacturing	245	19	240	19	215	18
D. Electricity, Gas, Steam and Air Conditioning; E. Water, Sewerage and Waste	15	1	20	2	10	1
F. Construction	20	2	20	2	25	2
G. Wholesale and Retail Trade, Repairs	255	19	240	19	220	16
H. Transport and Storage	25	1	25	1	20	1
I. Accommodation and Food	120	10	115	9	100	8
J. Information and Communication	920	72	855	71	635	55
K. Financial and Insurance	40	4	50	5	50	5
L. Real Estate	20	1	15	1	15	1
M. Professional, Scientific & Technical	290	22	270	21	210	18
N. Admin & Support Services; O. Public Admin, Defence & Social	195	13	255	20	175	14
P. Education	40	3	40	3	40	3
Q. Health and Social Work	40	3	55	4	70	6
R. Arts, Entertainment and Recreation	95	8	100	9	65	5
S. Other services activities; T. Households; U. Overseas	60	5	70	5	75	5
Unknown SIC2007	50	3	40	3	45	4
Total	2,455	189	2,430	195	1,985	163

Source: SEIS1 forms, Inter-Departmental Business Register (IDBR) survey and Companies House database

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. Companies have a period of several years after shares are issued to submit an SEIS1 compliance statement. Claims received for 2019-20 are currently excluded.

3. Standard Industry Classification 2007 (SIC 2007) codes are used to identify the type of trade carried out by the company. The resulting figures should be treated with caution because the most recent SIC 2007 data have been used and some companies could have changed their trade since submitting their EIS1 forms.

This table is classified as Official Statistics.

SEIS: Table 8.13

Seed Enterprise Investment Scheme

Table 8.13: Number of companies and amount of funds raised, by size of funds, from 2016-17¹ to 2018-19^p

Claims data received by April 2020²

Size of funds raised per company (Upper limit)		Numbers: actual; Amounts: £million					
		2016-17 ^r		2017-18 ^r		2018-19 ^p	
£	Number	Amount	Number	Amount	Number	Amount	
10,000	230	2	185	1	130	1	
25,000	300	6	305	6	260	5	
50,000	510	20	505	20	365	15	
100,000	615	49	595	48	495	39	
150,000	795	112	840	119	735	104	
Total	2,455	189	2,430	195	1,985	163	

Source: SEIS1 forms

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. Companies have a period of several years after shares are issued to submit an SEIS1 compliance statement. Claims received for 2019-20 are currently excluded.

This table is classified as National Statistics.



SEIS: Table 8.14

Seed Enterprise Investment Scheme

Table 8.1: Number of companies and amount of funds raised, by region, from 2016-17¹ to 2018-19^p

Claims data received by April 2020²

Government Office Region ³	Numbers: actual; Amounts: £million					
	2016-17 ^r		2017-18 ^r		2018-19 ^p	
	Number	Amount	Number	Amount	Number	Amount
England	2,275	176	2,240	181	1,855	154
- North East	40	2	30	2	30	2
- North West	165	13	155	13	100	7
- Yorkshire & the Humber	65	5	60	5	50	4
- East Midlands	70	5	70	5	40	3
- West Midlands	95	6	90	7	70	5
- East	165	13	180	15	125	11
- London	1,160	95	1,140	95	960	83
- South East	355	24	345	26	330	27
- South West	160	12	165	13	150	12
Wales	50	4	60	4	40	4
Scotland	90	6	95	7	75	5
Northern Ireland	30	2	25	2	15	1
Channel Islands / Isle of Man	0	0	0	0	0	0
Unknown	10	1	10	1	0	0
Total	2,455	189	2,430	195	1,985	163

Source: SEIS1 forms

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year ending 5 April.

2. Companies have a period of several years after shares are issued to submit an SEIS1 compliance statement. Claims received for 2019-20 are currently excluded.

3. The regional breakdown is based on the registered address of the company, which may differ from the region in which the investment took place.

For more information on GOR codes see www.ons.gov.uk

This table is classified as National Statistics.



SEIS: Table 8.15

Seed Enterprise Investment Scheme

Table 8.15: Income tax relief, distribution of investors and amount of investment on which relief was claimed from 2016-17¹ to 2018-19^p

Claims data received by April 2020²

Size of investment in year (Upper limit)		Numbers: actual; Amounts: £million					
		2016-17 ^r		2017-18 ^r		2018-19 ^p	
£		Number	Amount	Number	Amount	Number	Amount
500		830	0	1,000	0	880	0
1,000		445	0	475	0	420	0
2,500		780	1	725	1	665	1
5,000		1,230	5	1,275	5	955	4
10,000		1,770	15	1,705	14	1,425	12
15,000		905	12	875	11	670	9
20,000		705	13	670	13	570	11
25,000		585	14	560	13	470	11
50,000		1,220	46	1,150	43	930	35
75,000		335	21	330	21	240	15
100,000		350	33	320	30	240	23
Total		9,155	161	9,080	153	7,480	121

Source: Self Assessment Returns

Statistics in this table are consistent with HMRC's policies on dominance and disclosure.

Numbers are rounded to the nearest 5 and amounts are rounded to the nearest £1m. Totals may not sum due to rounding.

Total figures provided in this table are not directly comparable with the figures in Table 8.11. For more information please refer to the commentary note.

p. Provisional

r. Revised

1. Tax year ending 5 April.

This table is classified as National Statistics.



SITR: Table 8.21

Social Investment Tax Relief

Table 8.21: Number of enterprises raising funds and amounts raised, from 2014-15¹ to 2018-19^p

Applications submitted by April 2020¹

Year	Numbers: actual; Amounts: £million	
	Enterprises raising fund	Funds raised
	Number	Amount
2014-15	5	0.5
2015-16	25	2.3
2016-17 ^r	35	2.5
2017-18 ^{pr}	25	2.2
2018-19 ^p	75	3.6
Total	**	11.2

Source: SITR1 forms

Statistics in this table are consistent with HMRC's policies on dominance and disclosure

Numbers are rounded to the nearest 5.

Amounts are rounded to the nearest £0.1 million.

Totals may not sum due to rounding

p. Provisional

r. Revised

1. Tax year runs from 6th April in one year to 5th April in the following year.

** The total is not given as enterprises may raise funds in more than one year.

This table is classified as Official Statistics.

EIS: Table 8.1a

Enterprise Investment Scheme - Advance Assurance Applications

Table 8.1a: Number of companies seeking advance assurance, number of applications received, approved and rejected from 2006-07¹ to 2019-20^p

Applications submitted by April 2020¹

Year ²	Numbers: actual														
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 ^r	2017-18 ^r	2018-19 ^r	2019-20 ^p	All Years
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
Companies seeking advance assurance	1,035	1,025	965	1,095	1,375	2,030	2,265	2,640	3,075	3,450	3,515	3,710	3,160	3,325	**3
AARs applications received	1,080	1,060	995	1,125	1,460	2,150	2,340	2,730	3,170	3,575	3,625	3,815	3,280	3,440	34,415
Applications process in current year															
Of which, applications approved in year	880	875	840	880	1,195	1,770	1,785	2,085	2,370	2,380	2,525	2,605	2,070	2,585	25,250
Of which, applications rejected in year	65	80	80	90	105	135	150	140	165	280	250	290	315	230	2,425
Of which, applications not pursued further	50	20	25	40	30	55	60	80	100	175	255	375	525	**4	2,355
Applications processed in subsequent years															
Of which, applications later approved	50	45	30	80	80	130	285	340	400	500	430	260	260	85	3,055
Of which, applications later rejected	30	45	20	35	50	60	60	80	130	235	160	285	105	20	1,330
Total AAR applications received	1,080	1,060	995	1,125	1,460	2,150	2,340	2,730	3,170	3,575	3,625	3,815	3,280	3,440	34,415
Total AAR applications approved	930	920	870	960	1,275	1,900	2,075	2,425	2,775	2,880	2,955	2,865	2,330	2,665	28,305

Source: EIS(AA)

Statistics in this table are consistent with HMRC's policies on dominance and disclosure

Numbers are rounded to the nearest 5. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year runs from 6th April in one year to 5th April in the following year.

2. Companies have a period of several years to seek advance assurance. Therefore, data from 2016-17 to 2019-20 remain provisional and subject to change due to applications still being processed.

3. The total is not given as companies may seek assurance in more than one year.

4. A number of these applications, which have not yet been pursued, will be processed in 2020-21. As a result, we do not yet have a reliable indication of how many applications made in 2019-20 will not be pursued further, and do not publish this number. The figure will be included in the 2021 publication.

This table is classified as Official Statistics.

SEIS: Table 8.11a

Seed Enterprise Investment Scheme - Advance Assurance Applications

Table 8.11a: Number of companies seeking advance assurance, number of applications received, approved and rejected from 2012-13¹ to 2018-19^p

Applications submitted by April 2020¹

Year ¹	Numbers: actual								All Years
	2012-13	2013-14	2014-15	2015-16	2016-17 ^r	2017-18 ^r	2018-19 ^r	2019-20 ^p	
	Number	Number	Number	Number	Number	Number	Number	Number	Number
Companies seeking advance assurance	1,590	2,795	2,860	3,075	3,185	3,325	2,505	2,705	**3
AARs applications received	1,630	2,845	2,905	3,120	3,235	3,375	2,590	2,755	22,475
Applications process in current year									
Of which, applications approved in year	1,175	2,210	2,205	2,255	2,370	2,340	1,575	2,065	14,105
Of which, applications rejected in year	70	140	145	170	180	260	280	200	2,185
Of which, applications not pursued further	25	75	90	145	225	300	490	**4	1,660
Applications processed in subsequent years									
Of which, applications later approved	315	350	380	415	365	195	165	55	2,250
Of which, applications later rejected	40	75	90	140	95	275	80	10	805
Total AAR applications received	1,630	2,845	2,905	3,120	3,235	3,375	2,590	2,755	22,475
Total AAR applications approved	1,495	2,555	2,585	2,670	2,735	2,535	1,740	2,120	18,450

Source: EIS(AA)

Statistics in this table are consistent with HMRC's policies on dominance and disclosure

Numbers are rounded to the nearest 5. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year runs from 6th April in one year to 5th April in the following year.

2. Companies have a period of several years to seek advance assurance. Therefore, data from 2016-17 to 2019-20 remain provisional and subject to change due to applications still being processed.

3. The total is not given as companies may seek assurance in more than one year.

4. A number of these applications, which have not yet been pursued, will be processed in 2020-21. As a result, we do not yet have a reliable indication of how many applications made in 2019-20 will not be pursued further, and do not publish this number. The figure will be included in the 2021 publication.

This table is classified as Official Statistics.

SITR: Table 8.21a

Social Investment Tax Relief

Table 8.21a: Number of enterprises seeking advance assurance, and number of applications received, approved and rejected, from 2014-15¹ to 2019-20^P

Year	Numbers: Actual						Total Number
	2014-15 Number	2015-16 Number	2016-17 Number	2017-18 Number	2018-19 ^r Number	2019-20 ^P Number	
Enterprises seeking advance assurance	20	65	170	80	50	40	430
AARs applications received	20	65	175	85	50	40	440
Of which:							
Applications approved	15	45	120	40	35	30	285
Applications rejected	10	20	50	25	5	5	115
Applications pending or not pursued	0	0	0	20	10	5	40

Source: SITR(AA)

Statistics in this table are consistent with HMRC's policies on dominance and disclosure

Numbers are rounded to the nearest 5. Totals may not sum due to rounding.

p. Provisional

r. Revised

1. Tax year runs from 6th April in one year to 5th April in the following year.

2. The total is not given as enterprises may raised funds in more than one year.

This table is classified as Official Statistics.