

ACQUISITION OF UNRESTRICTED SHARES (FORM 42 SUBSTITUTE) FOR FAMILY, ETC COMPANIES

This form can be used only where the shares issued are ordinary shares carrying no special rights and are subject to no special restrictions.

If the shares do not satisfy these criteria Form 42 needs to be completed.

Where an accountant has a number of clients who have issued shares during 2003/04 it is acceptable to submit a spreadsheet covering all of the clients concerned if this is easier than completing a separate form for each company.

1. **Name of Company:**
2. **PAYE Reference¹:**
3. **Date of issue:**

- | 4. <u>Name of Shareholder</u> | <u>NI number²</u> | <u>Number of shares</u> | <u>Nominal value</u> | <u>Price paid</u> |
|-------------------------------|------------------------------|-------------------------|----------------------|-------------------|
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|---|--------|
| 5. Was the price paid believed to be the market value of the shares at the date of issue? | Yes/No |
| 6. If not a) what was the market value estimated to be? ³ | Yes/No |
| 7. b) has PAYE been operated on the differences? | Yes/No |

Note ¹ If a PAYE reference has not been issued state "No reference issued". It would help the Revenue to give the corporation tax reference if that is known.

² If no NI number has been issued insert "none issued". If the employee is a pensioner insert "pensioner"

³ You are expected to give a considered view of the market value.

FORM 42

We have agreed with the Inland Revenue that the attached form can be completed instead of Form 42 where the only shares issued by a company are ordinary shares in a company which has only one class of share and the shares issued do not carry any rights or restrictions not attaching to all the shares of the company.

This will typically apply to the initial issue of shares in a family company.