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We know what your game is!!

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Darling...

We know what your game is!!



The fact that such a large crowd turned up at a joint McCartneys and Baker Tilley tax seminar recently, reflected the increasing awareness and concern of farmers and landowners about tax. It is very apparent that the Revenue are demonstrating an ever increasing lust to raid, what used to be considered, safe assets. The

phrase 'my farm is safe from inheritance tax if I die' is a dangerous fallacy.

Agricultural Property Relief is a hugely valuable concession to the industry. But to qualify fully, farmers need to be careful. Relief is only available on the 'agricultural value' of 'agricultural property'. Recent case law has considerably moved the goal posts when it comes to the definition of both of the above. Your farmhouse, traditional farm buildings and anything with hope value are now extremely vulnerable. Whilst trying to make the above discussion as simple as possible Baker Tilley tax specialist Peter Strevens emphasised the importance of having a proper and expert tax audit. 'It could save your estate tens of thousands of pounds, by simple planning' he said.

His colleague Clare Willetts had the unenviable task of trying to make 'Capital Allowances' an interesting topic and succeeded well, judging by the rapid note taking going on around the room. 'Considerable advantages are to be obtained but you need good and informed advice', said Clare on a subject, that even accountants sometime grapple with.

The final speaker was McCartneys chairman John Uffold who gave an amusing, but thought provoking, practical example of the money that farmers could save by simple and prudent measures. John said 'the most important thing is to identify your risk'.

'Ideally good advice will come from a small team of advisors. Your local McCartneys Chartered Surveyor is the person who is trained in the first instance to identify the assets that are vulnerable. They can provide draft valuation advice, and work out, with your solicitor and accountant, in terms of how you draw up your will, potentially exempt transfers, gifts of shares and part shares, the use of trusts, lettings and perhaps even disposals of vulnerable assets, the best strategy.

'Each case is unique' and if the costs of using a 'small team' puts you off then remember any fees are peanuts compared to the massive potential losses possible in taxation.

Farmers work all hours of the day and night to save an animal or grab their harvest before the weather changes, yet often will not spend a few minutes consulting on their biggest transaction of all. That's the one that those who you leave behind, have to deal with, when you die!

There are only two things in life that are certainties - DEATH and TAXES. Better to leave it to your darlings than Mr Darling.

P.S. Coming next - Community Infrastructure Levy (or yet another stealth tax). If you have development land or are about to apply for a planning consent, be warned. It's very frightening and going through parliament now!. Ring us if you dare.

Ryan Williams

Ryan Williams F.R.I.C.S. is a senior partner in McCartneys and covers a wide area of professional work in the Hay on Wye and Brecon areas. He is currently Chairman of RICS Mid Wales, and sits on the Wales RICS Council.

TB + BT + BP = NEGATIVE RESULTS TUBERCULOSIS (TB)

Like it, or not, TB is here to stay. A lot of officials be they Politicians, DEFRA Spokesman, Welsh Assembly Gurus et al will make the 'politically correct statements' but when push comes to shove you will be on your own to cope with the regulations, red tape, testing and general hassle and worry. If you believe badgers are one of the major problems and reasons for the spread of the disease don't kid yourself that any government are going to be behind a culling policy of any meaning! The first time such a policy appears on the front page of the tabloids you won't see officialdom for dust!!

If you agree that the problem is not going to get better in the foreseeable future you must BE POSITIVE (BP) with regard to your farming circumstances. Nothing comes easy but contemplating the following is worthwhile:

- Discourage badgers from your land- fencing stock works both ways!
- Diet is a major reason for any animal to wonder- consider the security of your feed store and also your cropping regime.
- Would different holding numbers help with your trading position?
- A question for your politician – If reactors (except those severely diseased) are sold into the food chain (necessary organs removed) and presumably not regarded as a public health problem – why do we have so many restrictions?

A finger in the hole of a dam seems comparatively minor when water is gushing over the top. The treasury would save considerable pennies and each farmer would take a quiet view of his own situation and act accordingly.

BLUE TONGUE (BT)

Like it or not BT is here to stay – a familiar scenario and one that we all dislike. The dreaded midge (*Culicoides*) has arrived and likes it here, he doesn't intend to go away and when the warm sunshine appears he will be

as keen to cause as much havoc as he can. Most livestock farmers will (with a little help from their friends) be aware of the Clear, Surveillance and Protection Zones and the permitted trading within such zones – in a nutshell: you can trade from top to bottom but not vice versa.

The initial ravages of the disease appear horrendous however the under current (sub-clinical) problems will be devastating, with infertility for both males and females in cattle and sheep. The positive aspect of this disease is that a vaccine is "on the way" (well certainly in England, to a lesser degree in Wales and not at all in Scotland!!)

When available the vaccine will be administered to the known infected premises, then all premises in the protection zone, then a gradual extension to cover the surveillance zone and then the whole of England, as the vaccine becomes available.

Be positive, can you afford not to vaccinate? The value of cattle and sheep has risen way above expectations and looks (all things being equal) to maintain at a higher level than seen in recent years- their value is well worth maintaining and securing- order your vaccine as soon as possible.

BE POSITIVE (BP)

Like it or not BP is the only way to stay in the game, debating the pros and cons or moaning about global warming, politicians, welfare groups, wildlife, dogooders and auctioneers will not help much (at least the auctioneer will listen!!) BE POSITIVE and use the tools available to get the job done. For once in life a Negative Result is what you are looking for.

Clive Roads



England's Green and Pleasant Land

Natural England is developing a spatial approach to targeting the prioritisation of Environmental Stewardship with the aim of maximising the environmental and other public benefits achieved through the scheme.

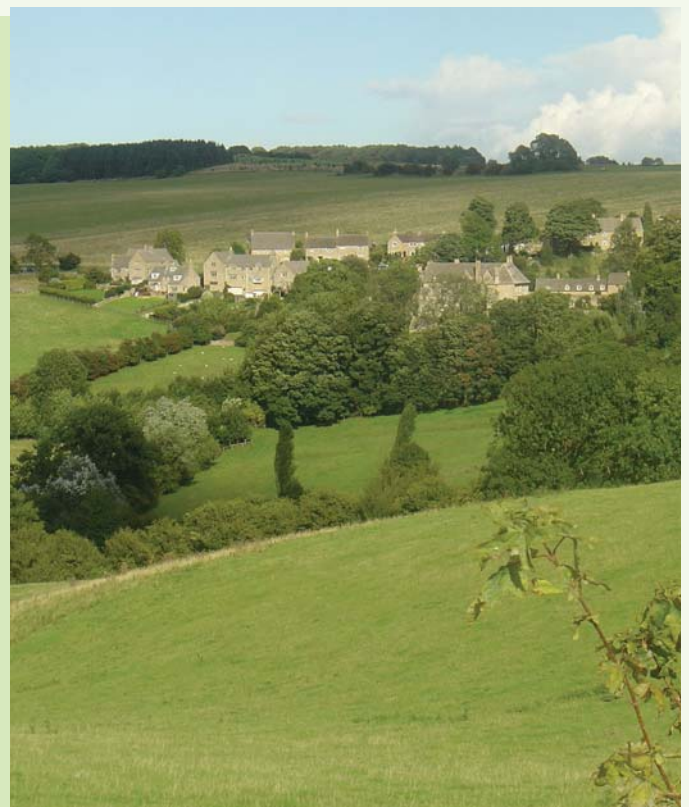
The aim of Environmental Stewardship was to secure wide spread environmental benefits, however a combination of factors have led to the current system being changed. These changes being that targets for HLS are now prioritised and specific areas are now being targeted within the UK as over the last few years the distribution of agreements has been very scattered.

These changes are going to be achieved by moving from a list based approach to a map based approach to targeting. It is thought that this approach will provide a more robust, consistent and transparent means of identifying and selecting agreements.

The areas that will now be targeted include Black Mountains, Malvern Hills, Shropshire Hills, River Lugg, River Wye, Wyre Forest, Severn and Avon Vale, and Oswestry.

Entry Level Stewardship will remain open to all, however Natural England are hoping to increase the environmental effectiveness by selectively promoting ELS in certain areas and by placing emphasis on the most locally applicable options.

Claire Morgan



THE GREAT FLOOD

THE WATERS FLOODED THE EARTH FOR
A HUNDRED AND FIFTY DAYS

Genesis - Chapter 7 - Verse 24.

After the ever so memorable summer floods of 2007, which affected many of our clients in so many different ways.

At McCartneys we thought it important to take considerable time and effort to research the laws behind land drainage, which will allow us to advise you our clients correctly.

Our research has found that land drainage is currently governed by the Land Drainage Act 1991 and responsibilities fall into two bodies.

Local Authorities

Under the LDA 1991 certain powers and responsibilities are given to local authorities. Without going into too much detail local authorities have the powers to carry out improvements on drainage of small areas in accordance with section 18 of the LDA 1991. Local authorities also have the right to carry out works, which may prevent flooding, or damage caused by flooding in the district.

Landowners

If you own land adjacent to a watercourse or there is a watercourse within your boundaries, in general terms this means that you are the riparian owner, unless the watercourse is main rivers which are usually designated to the local drainage board or the environment agency. As a riparian owner you hold certain responsibilities under the LDA 1991. One of these responsibilities is that the riparian owner must maintain a duty of care in clearing the waterway insuring that it does not become



obstructed in anyway. If the riparian owner fails to maintain the water course which in turn causes it to become blocked or obstructed, under section 28 of the LDA 1991 the local authority has the right to serve a notice instructing the owner to carry out maintenance work to clear the obstructions. If the riparian owner fails to carry out this work then the council have the authority to instruct outside contractors and charge the owner for the work. Another responsibly is under section 23 of the Act there are restrictions upon the riparian owner from making any alterations to the current drainage system without having prior consent from the local authority therefore we would suggest to be very aware if planning any alterations to a drainage system. In short you may be responsible for maintenance of a watercourse. You may be responsible for any damage caused by failing to maintain that watercourse. Have you a smart barn conversion at the end of your farm which may flood because your ditches are not maintained? Is there a country cottage by a brook that runs through your land? Flash flooding and global warming are here to stay it seems. Make sure you don't get caught out – Noah didn't!

Single Farm Payment

As the 15th May approaches once again it is worth considering the changes that the RPA, under European Directives are making to what has never been and probably never will be a simple scheme.

These include:

Land at Disposal for One Day

Following agreement at the EU Agriculture Council meeting on 21 January 2008, farmers will be required from the 2008 scheme year to have the land used to support their SPS claims at their disposal on just one day. In the UK, that day will be 15 May each scheme year. This replaces the previous requirement for farmers to have land at their disposal for a period of 10 months.

However the claimant must be responsible for cross compliance for the whole of the calendar year. From 1st April 2008 this applies even if the applicant is not in occupation of the land for the entire year. This is very relevant if you are letting land in or out of considering selling the land.

FVP Changes

Fruit, vegetable and potato (fvp) authorisation has been abolished from 2008. Therefore growers can claim normal entitlements against land being used to grow these crops.

Orchards

Land under orchards and nursery crops will now become eligible under the single payment scheme from the 2009 scheme year. We are waiting to hear what if any new entitlements will be allocated in respect of this land for 2009 and onwards.

Payment

The RPA will no longer make payment by cheque only by BACS, so make sure that all your details are correct.

Unfortunately it seems that the RPA regulations and changes are a minefield waiting to trip you up, and what was billed as a simple scheme is not getting any less complicated!!



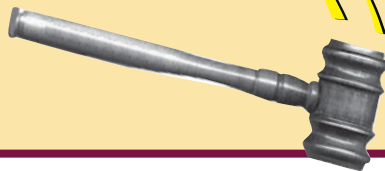
McCartneys Spring Property Auction

Friday 25th April 2008 at Ludlow Football Club. 6pm start.

10 lots already entered.

A variety of properties for sale from town houses to rural properties with land.

Contact Ludlow property office to register your interest.



With a long standing heritage in supporting the needs of the countryside economy McCartneys is one of the oldest and largest multi disciplined private practices in the United Kingdom. Offering a wide and comprehensive range of services across the Midlands and throughout Wales, McCartneys has a large dedicated team of professional experts specialising in all aspects of rural property, planning and business advice. Please contact one of our professional staff for sensible and impartial advice.



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The information contained within this newsletter is for guidance only and readers should ALWAYS take full consultation with an agent or solicitor.