

**WESTERN COUNTIES AND CORNISH EXAMINATION GROUP**  
**WEDNESDAY 11<sup>th</sup> NOVEMBER 2015**  
**AT**  
**COLLITON BARTON, BROADHEMBURY, NEAR HONITON, DEVON**  
**by kind permission of Sally & Adrian McArdle.**

Colliton Barton is farmed by Sally & Adrian McArdle and extends in total to 225 hectares which includes the 125 hectares comprising the Home Farm, Upcott Farm 75 hectares in an adjoining block of primarily forage conservation land and buildings and a separate 25 hectare specialist livestock unit.

Home Farm and the adjoining land including Upcott Farm is owned freehold by the Mr & Mrs R.L Persey, and farmed by the partnership which includes Mr & Mrs McArdle on a tenancy under the Agricultural Holdings Act 1986. The separate livestock unit is rented on a Farm Business Tenancy.

In addition the farm is the home to Colliton Barton Events and Training Venue and two small commercial buildings let out on tenancies.

The principal enterprise is a dairy herd of approximately 300 cows averaging 8,000 litres milk per annum on an organic, principally grass fed regime. In addition the family run an intensive poultry enterprise. The majority of the farm is in grass with some 32 hectares of maize and 32 hectares of whole crop silage grown per annum

The farm is in an NVZ and in the Organic Entry Level Stewardship Scheme

The events business owned and run by the Partnership specialises primarily in training vets and currently runs approximately 100 courses per annum.

The farm has approximately 40 kw solar power generation in various roof mounted locations.

**WESTERN COUNTIES AND CORNISH EXAMINATION GROUP**  
**PRACTICAL EXAMINATION**  
**WEDNESDAY 11<sup>TH</sup> NOVEMBER 2015**  
**9 A.M. TO 1.00 P.M**

**8.45 am – 9.00 am Introduction by Examination Secretary/Chief Examiner**

**9.00 am – 1.00 pm Inspection and Exam**

<b>ANSWER ALL QUESTIONS</b>		<b>Marks</b>
<b>1</b>	<b>Farm Buildings</b>  Comment on the conditions in which the silage is stored in the clamp shown A on the plan and any issues of concern which arise	<b>5</b>
<b>2</b>	<b>Farm Buildings</b>  The overall measurement of the silage clamp (A on plan) is:  45ft (13.7 metres) x 60ft (18.3 metres) x 5ft (1.5 metres)  The analysis is ME 10.6MJ/kg DM 21% CP 13%  Calculate the quantity of silage in the clamp and give an indication of the likely value supported with appropriate details	<b>4</b>
<b>3</b>	<b>Farm Buildings</b>  Identify and value the three items of machinery	
<b>v</b>		<b>2</b>
<b>w</b>		<b>2</b>
<b>x</b>		<b>2</b>
<b>4</b>	<b>Farm Buildings</b>  Describe and value the livestock shown to you	
<b>a</b>		<b>2</b>
<b>b</b>		<b>2</b>
<b>c</b>		<b>2</b>

<b>5</b>	<b>Farm Buildings</b>  Comment on and assess the value of the lean-to building outlined in red on the plan assuming that the farm is let on a Farm Business Tenancy and the Landlord has given permission for the improvement	<b>5</b>
<b>6</b>	<b>NG 9341 Pasture ~ 1.99 hectares</b>  As a condition of securing planning permission for the adjoining residential development the Landlord has agreed to plant and maintain an amenity area over an appropriate part of NG 9341  Set out what you consider to be an appropriate planting scheme for the area and comment on any issues which the Landlord should consider.	<b>6</b>
<b>7</b>	<b>NG 9563 Arable ~ 1.65 hectares ~ Southern Boundary</b>  Assess the dilapidations to the northern side <b>only</b> of the hedge including the western gateway to 7461 - the length is 80 metres	<b>6</b>
<b>8</b>	<b>NG 8980 Arable ~ 5.53 hectares</b>  Assess the value of the growing crop	<b>4</b>
<b>9</b>	<b>NG 8980 etc</b>  South West Water have served notice that they intend to lay a 350mm diameter new mains water pipe between points A & B on the plan and construct a 10m (long) x 10m (wide) x 10m (deep) underground reservoir and surface pumping station within a compound 15m x 15m with access at location C on the plan.  Assuming that all relevant notices have been served and NG8980 is indicative of the area affected and that for this question you are acting for a freehold owner with vacant possession  a) Set out the process from this point forward  b) Set out Heads of Terms for the claim against South West Water explaining the basis of claim and comment on any other relevant factors likely to influence the claim process or use of the field through 2016 and maybe beyond	<b>4</b>  <b>6</b>

<b>10</b>	<b>NG 9563 1.65 hectares</b>  Comment on the condition of the field in the context of the Basic Payment Scheme	<b>5</b>
<b>11</b>	<b>Farm Buildings</b>  A local scaffolding contractor has approached your client, the farm tenant, asking if they might use the two buildings shown marked X & Y on the plan for storage of materials and vehicles  a) The Tenant has asked for your advice on the steps he should take if he wishes to pursue this opportunity – write short notes on the key issues which he will need to address  b) Set out Heads of Terms for a lease, commenting on the key issues involved  c) Assess the rental value setting out calculations and assumptions	<b>5</b>  <b>5</b>  <b>5</b>
<b>12</b>	<b>Farm Buildings</b>  The concrete floor in the building marked Z on the plan was installed by the Tenant 15 years ago  Assuming the farm is let on an Agricultural Holdings Act 1986 agreement and the Landlord gave open consent for the work assess the value for the Tenant assuming the tenancy was terminating on the 11 <sup>th</sup> November 2015	<b>4</b>
<b>13</b>	<b>Upcott Farm</b>  Your client, the occupier, has reported that he has recently failed a TB test at Home Farm.  Assuming that youngstock are normally overwintered at Upcott advise on the practical implications and the next steps	<b>4</b>
<b>14</b>	<b>Farm Buildings</b>  You act for the Landlord who is becoming increasingly concerned over the general condition of the farm buildings.  Assuming the farm is let on a Farm Business Tenancy which refers explicitly to S.I 1973 1473 identify the principal items of repair which are the Tenant's liability in respect of the two buildings marked X & Y assuming the tenancy was terminating on the 11 <sup>th</sup> November 2015	<b>5</b>

**This section of the exam finishes at 1.00 pm when Candidates will hand in their completed valuation books. Lunch will be taken immediately after the end of the morning exams. Candidates are reminded exam conditions still prevail.**

**AFTERNOON QUESTIONS**  
**ESTIMATED START TIME 1.45 PM AND TWO AND A HALF HOURS ARE**  
**ALLOWED FOR COMPLETION OF THE PAPER**

<b>ANSWER FOUR OUT OF FIVE QUESTIONS</b>		<b>Mark</b>
<b>15</b>	<p><b>Upcott Farm</b></p> <p>The developer of the adjoining property has approached the Landlord to develop a solar array in NG 9341.</p> <p>a) Comment on the options for accommodating this development</p> <p>b) Set out the Heads of Terms for an agreement assuming the Landlord prefers to lease the site</p> <p><i>Assume an adequate grid connection is available on site</i></p>	<p><b>6</b></p> <p><b>9</b></p>
<b>16</b>	<p><b>Upcott Farm</b></p> <p>Your client, the owner of Upcott Farm, has approached you for advice on developing a farm dwelling at Upcott Farm to support a new beef enterprise.</p> <p>Assuming the adjoining farmhouse and buildings were sold away by a previous owner in the 1990's, prior to the applicant's purchase of the property, write a letter to your client setting out:</p> <p>a) The steps involved in the process; and</p> <p>b) The information you will require to support a planning application</p>	<p><b>7</b></p> <p><b>8</b></p>
<b>17</b>	<p><b>Upcott Farm</b></p> <p>Assume that Upcott Farm, comprising the buildings and some 75 hectares of land, has been offered to let on a 10 year Farm Business Tenancy from 29<sup>th</sup> September next year.</p> <p>a) Assuming that you were instructed to act for a prospective tenant set out in bullet point form the information you would include in their application</p> <p>b) Assuming a suitable enterprise mix of your choice set out gross margin projections and an estimate of initial working capital requirement for Year 1</p>	<p><b>6</b></p> <p><b>9</b></p>

<p><b>18</b></p>	<p><b>Upcott Farm</b></p> <p>You have been approached by your client, the Landlord, who needs to raise funds to reduce his borrowings.</p> <p>Your client has asked for your advice on value. Set out your calculations, with explanatory notes:</p> <p>a) For the value of Upcott Farm subject to and FBT with 5 years remaining term and no break clause. The annual rent is £25,000 last reviewed in 2011</p> <p>b) Subject to an AHA tenancy to a farmer age 57 with 2 sons (aged 28 and 25) the eldest of whom works full time on the holding, assume that the farmer's family also own a nearby home farm unit with house but limited agricultural buildings which extends to 20 hectares</p>	<p><b>8</b></p> <p><b>7</b></p>
<p><b>19</b></p>	<p><b>Upcott Farm</b></p> <p>The owner of the adjoining residential complex, Henbury Court, which comprises 6 residential letting units and 2 small commercial units generating £80,000 gross has purchased Upcott Farm subject to the remaining term of the FBT as set out in Question 18 a above. He has recently retired from a city career and has substantial funds available but no farming experience</p> <p>a) Comment on the treatment of the entire holding, including Henbury Court, for Inheritance Tax purposes during the remaining term of the FBT</p> <p>b) The Tenant subsequently approaches your client wanting to surrender at Michaelmas 2016. What options are available to the owner after this date and how would these influence the Inheritance Tax treatment of the constituent parts of his property holding</p>	<p><b>6</b></p> <p><b>9</b></p>

## **ORAL QUESTION THURSDAY 12<sup>TH</sup> NOVEMBER 2015 PM**

The oral question in the examination to be held on the Thursday afternoon will involve approximately a 10/15 minute discussion on the following area:

Expansion of the dairy herd and intensification of use of the buildings at Upcott Farm

*35 marks*

The remainder of the oral examination will comprise two brief discussion questions and ten short questions drawn from questions set nationally on relevant general knowledge.

*15 marks*