

WRITTEN EXAMINATION

PAPER II

11th NOVEMBER 1999

10.45am – 12.45pm

Time Allowed - 2 Hours

Instructions to Candidates:

1. Complete the Green Examination Information Sheet by stating your full name and address together with the area in which you are practising and the local Association of which you are a member. Attach the green sheet to the top of your answer pad and ring the numbers of the three questions that you have answered.
2. Number each page and write ONLY your name on successive sheets in the top right hand corner.
3. Write on one side of the paper only, leaving the margin on the left hand side.
4. Start each answer on a separate sheet and place your answers in numerical order.
5. Time has been allowed for you to read through the Question Paper before commencing your answers.
6. You should attempt to answer three out of the five questions.
7. All questions carry equal marks: 20 each.
8. State any assumptions that you have made but assumptions should only be made when absolutely necessary.
9. Where appropriate, you will be expected to state the relevant Act, Statutory Instrument or case upon which you have based your answers.
10. You may use imperial or metric measurements in your answers. Please indicate which units you are using.
11. The presentation and clarity of your answers is important.

QUESTION 1

You act for a 52-year old tenant who took occupation of his 120-hectare holding in 1978. He has two married daughters, one of whom works part-time on the holding.

He has received a letter from his landlord's agent offering him an additional 80 hectares to add to his existing holding on condition that the new letting and existing tenancy are combined under a 30-year Farm Business Tenancy.

Write a **letter** to your tenant client identifying the issues that he should consider, including your advice as to whether he should accept the landlord's offer.

QUESTION 2

Having recently qualified as a Full Member of CAAV, your senior partner has instructed you to review office procedures in relation to obtaining ISO 9002 certification. He has directed you towards the issues set out below which will be discussed at the next partners' meeting.

- Professional Indemnity
- Clients' Money
- Employment Law and Contracts of Employment
- Health and Safety Policy
- Office Systems

Please provide him with a **report** setting out the basic requirements under each heading.

QUESTION 3

Write **brief notes** on three of the following:-

- a. BEN 19
- b. Capital Gains Tax computation in relation to property
- c. Agricultural Property Relief – Inheritance Tax
- d. Capital Allowances – Income Tax
- e. Gifts made with the reservation of benefit – Inheritance Tax

QUESTION 4

Mr. Blackacre of Church Farm, Cranborne Bottom, Casterbridge, Dorset, has already instructed your firm to deal with the sale of his milk quota, live and dead farming stock and to let out the majority of the farm (excluding the farm buildings) on a Farm Business Tenancy.

He has retained the range of traditional farm buildings and the range of modern portal frame farm buildings on his holding, for which he has no present agricultural use. He has asked you to consider the alternative possibilities for the use of both ranges of buildings for non-agricultural purposes.

Write a **letter** to your client advising him in a logical order of all the relevant issues that need to be considered and the steps that would need to be taken to obtain the necessary Planning Permissions.

QUESTION 5

Your client is the owner-occupier of a 1,000-hectare commercial estate with a substantial period farmhouse and a terrace of five cottages. The farm is mainly in an arable rotation. The farm boundary, in part, abuts the perimeter of the local market town.

A notice to treat has now been served on your client for the acquisition of a 20-hectare strip across the farm adjacent to the terrace of cottages, as part of a proposed by-pass scheme. Entry is required by the end of the year and an under-pass or bridge crossing the proposed new road has been refused, despite the fact that all farm buildings will now be on one side of the by-pass.

In preparing the claim for compensation, your client has asked you to confirm details of your approach to the following valuation issues.

- The value of land taken
- Injurious affection and severance to land, dwellings and sporting rights
- Disturbance claim
- Set-off for betterment arising from the prospective sale of part of the severed land for an out-of-town retail park

Set out under the above headings the information required to satisfy your client's demand and details of the acquiring authority's likely alternative views.