

High Leas Farm

Update no.2

February 2010

This is the second update to the Information Pack dated 4 January 2010.

Open Days (2.1)

A question has arisen as to whether additional people (guests, or advisers, for example) can come along to Open Days. Our answer is No. Invitations to Open Days are only extended to the prospective tenants / applicants themselves. We wish to meet those whom we invite, without the distraction of having other people around. We ourselves will not have advisers present and any visitors we may have (eg people helping with lambing) will not be involved in our discussions with you. However, if our discussions progress to the next stage, there will be opportunities for you to bring advisers if you wish.

You will be able to go into the farmhouse on Open Days, of course, but not in an unrestricted way. We will organise "Guided Tours."

Rural Land Register (3.16)

We have heard from the RLR with revised plans which appear to be correct. The SPS eligible area is now stated as 48.42 hectares (48.50 hectares in total with 0.08 ha of "permanent ineligible features" (i.e. surfaced trackways)). We claimed on 48.29 hectares in 2009 (see Info Pack 3.17.2) so the exercise appears to have increased the claimable area by 0.13 ha. But comparison of the lists of fields (a) now shown by the RLR and (b) in our 2009 claim, shows that most of the fields now have slightly different areas. Some of these are slightly larger and some are slightly smaller, and couple of new parcels have been created by the map revision exercise. Some areas are shown as SPS eligible, on which we are not in fact confident of being able to claim, such as the pond and one or two sections of old trackway which have greened over. We think you should be prepared for the total claimable area to be slightly reduced. When we receive the SPS claim form (in about April) we will provide a listing of fields showing the area of each on which we will be claiming this year (2010).

Agricultural Buildings Allowances (ABAs)

ABAs are in the course of being abolished. This means there will be no way that either landlord or tenant can set any part of the cost of any new buildings against income. This will lead to an increased focus on repairing existing buildings, such as the former milking parlour.

There also needs to be a clear distinction between the cost of the building itself (walls, roof etc.), and the cost of any plant/machinery or "Integral Features" within it, since the

latter can either be the subject of Capital Allowances (eg Annual Investment Allowance) (Plant & Machinery) or Writing Down Allowance (Integral Features).

VAT on rent (3.22)

It is still possible that we will opt to charge VAT on the rent, as without so doing the landlords would not be able to reclaim the VAT on any outlay. If, for example, we were to pay for any new building, inability to reclaim VAT and withdrawal of ABAs would make a significant disadvantage, which would have to result in higher rent. From the tenant's point of view there would be a slight cashflow disadvantage but as long as you are VAT-registered you would get it back.

East Midlands Development Agency Rural Development Programme

We have been informed that there is some funding available to help the livestock sector to meet new challenges regarding Animal Health and Welfare, Nutrient Management and Competitiveness. We understand that this would not provide funding for a new building as such, but possibly for certain elements within a project that involved a new building. The examples given to us were, heat recovery units on bulk milk tanks or ventilation systems, solar panels, rainwater harvesting, and innovative slurry management techniques. Many of these things could not really apply to a small, extensive, farm but we feel that there are certainly some avenues to explore here. It would be necessary to complete an Expression of Interest Form in order to get some detailed feedback, and this is something which no applicant can be authorised to do at this stage. After the Open Days we will consider putting in an Expression of Interest Form ourselves, based on what you tell us about your plans.

Edward & Sam Beaumont 20 February 2010