

**LANARKSHIRE  
APPEAL PANEL**

**VALUATION**

**STATEMENT OF REASONS RELATIVE  
TO APPEAL**

by

**BELHAVEN BREWERY COMPANY  
LIMITED**

in respect of

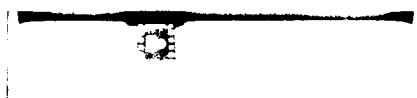
**PUBLIC HOUSE, THE FAIRWAY  
INN, 18 CHAPEL STREET,  
RUTHERGLEN**

This is an appeal arising out of the year 2005 Revaluation.

There was agreement that the preferred method of valuing these subjects, had the requisite evidence been available, would have been a valuation by the application of percentages to properly evidenced turnover of the appeal subjects as at the tone date of 1<sup>st</sup> April 2003. The Committee appreciated that both the Assessor and the agent for the Appellants had been faced with difficulties in carrying out a valuation of the appeal subjects given the absence of properly certificated turnover figures as at that date.

The agent for the Appellant had valued the subjects on a turnover basis estimating the turnover as at 1<sup>st</sup> April, 2003 by projecting the turnover figures contained in the accounts to 31<sup>st</sup> December 2001 using the retail prices index and contended for a net annual value of £14,850 (or higher as appropriate). The Assessor had valued the subjects on the comparative method and was defending a figure of net annual value £25,000.

The Committee was referred to the passage from the judgement of Lord Salvesen in the case of Haggart –v- Assessor for Leith – 1912 S.C.784 at 787. This is the passage reproduced in Armour on Valuation for Rating, Fifth Edition, at para 20-28. The Committee took note of the passage in its entirety but particularly noted the last sentence:- “The Assessor here was of opinion, and the Valuation Committee have agreed with him, that when he has reliable information as to the drawings of a particular shop, those drawings afford the very best basis upon which to estimate the rental which one year with another a tenant would pay for the premises.” The difficulty here was the absence of reliable information as to the drawings of the appeal subjects at the tone date.



There were here certified accounts for the year to 31<sup>st</sup> December 2001 with comparison figures for the year to 31<sup>st</sup> December, 2000. There were no figures at all for the years 2002 and 2003. There were accounts for the period 15<sup>th</sup> December 2003 to 31<sup>st</sup> December 2004 but these were not certified and were not for a full year.

The agent for the Appellants suggested that use could have been made of the turnover figures available for the year 2000 Revaluation but the Committee did not consider that it would be appropriate to have done so in view of the age of these figures.

The Committee was well aware from figures it had seen in relation to other public house appeals that turnover figures can fluctuate very significantly from year to year. The Committee did not feel that the use of the turnover figure from the certified accounts for the year to 31<sup>st</sup> December 2001, projected forward using the retail price index, amounted to the use of reliable information as to the drawings of the appeal subjects sufficient to form the basis of a valuation by turnover.

In these circumstances, the Assessor was correct to carry out his valuation on the basis of the comparative evidence available to him in respect of other public houses in Rutherglen Town Centre. As the Committee understood the evidence, there was an acknowledgement that, if the Assessor was correct to use the comparative method, there was no challenge to the way in which he had done so. In any event, the Committee was satisfied from the evidence produced that the Assessor had available to him good comparisons adequate for use in carrying out the comparison exercise. The Committee was satisfied that the Assessor's value rate per square metre of £1,150 was appropriate and soundly based on valid comparison evidence. The Assessor had applied his method and the Scottish Assessors' Association Practice Note for Valuation of licensed premises, public houses and licensed restaurants for the 2005 Revaluation appropriately. The Committee accordingly approved the Assessor's figure of £25,000 net annual value and dismissed the appeal.

