Excerpt from Chapter 17 of Practical Share Valuation

Valuation of intellectual property and other intangibles

Signposts

17.01 Introduction

Intellectual property protection is given by law in respect of patents, trade marks, service marks, copyright, registered design rights, moral rights, plant breeding rights and so on. Guernsey has recently introduced laws allowing the registration of image rights and endorsement fees thus facilitating the registration of image rights by sportsmen and other performers under the Image Rights (Bailiwick of Guernsey) Ordinance 2012. See also *Agassi v Robinson* [2006] STC 1056. The law allows the owner of intellectual property to proceed against anyone using the protected property without permission, and a normal remedy would be an injunction and damages. Know-how, secret processes and confidential information may be protected under specific or implied confidentiality agreements and in some cases there may be mileage in an action for 'passing off', for example, in relation to brand names. In the *Advocaat* case*, Erven Warwick BV v J Townsend & Sons (Hull) Ltd,* [1980] RPC 31, [1979] 2 All ER 927, Lord Diplock described 'passing off' as including:

(1) a misrepresentation;

(2) made by a trader in the course of his trade;

(3) to prospective customers of his or ultimate consumers of goods and services supplied by him;

(4) which is calculated to injure the business or goodwill of another trader (in the sense that it is a reasonably foreseeable consequence);

(5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or will probably do so.

Although it is sometimes possible to challenge intellectual property agreements on the grounds of unfair competition, for example, under the anti-trust laws in the USA or the provisions of Articles 81 and 82 of the Treaty of the European Community, the protection given to the holder of intellectual property and allied rights is normally effective in the sense that it prevents or inhibits third parties from making use of such property without payment. What intellectual property protection cannot do, however, is, of itself, to give any value to those rights. The protection is purely negative in the sense of preventing competition and cannot give value to a copy of a work or a patented invention, if there are no customers wishing to buy.

With a patented invention, it is quite common for the patent holder to be involved in the manufacture and distribution of the invention. It is also common practice for the original inventor to license the invention to an established manufacturer, or new business set up for the purpose, and the terms of such a licence may vary enormously. It can be limited as to time or by reference to the geographical area within which the goods may be manufactured or sold, and may be an exclusive licence which would prevent anyone else, including the inventor, from exploiting the invention, or the licencee may be one of many people authorised to produce the goods. Finance Act 2012, Sch 2 introduced CTA 2010, Part 8A, ss 357A–357GE, the UK's Patent Box legislation to compete with other EU countries, such as Luxembourg, Ireland, Netherlands, Belgium and others. This is likely to encourage UK businesses to patent the results of their research and development (R&D), where possible. This is dealt with in some detail in *Intellectual Property Law and Taxation* by Eastaway et al, published by Sweet & Maxwell. With copyright material, it is usual for the author to licence a specialised publisher to produce books or recordings rather than to do it himself. In some cases the originator of the intellectual property assigns it outright for a lump sum rather than granting a licence for a royalty. However, an assignment may also be in consideration for an ongoing royalty or a lump sum, so the means of exploitation is not restricted in any particular way.

Intellectual property rights depend for their value on the income that can be generated from exploiting the invention, or publishing the work, or franchising with the benefit of the trade mark, therefore the value of the rights is, normally, the present value of that earning capacity.

There are really two aspects to the valuation of intellectual property. One is the royalty value which is the amount which the licensor could expect to receive on sale of each item of product, and the other is capital value which could be received on outright assignment. Obviously the capital value is directly related to the royalty value in that it is the discounted present value of the likely future royalty stream from licensing the product. There is an infinite number of variables between licensing entirely for royalties and outright assignment for a lump sum. A common solution in practice is for a reduced lump sum and an ongoing royalty of a lesser amount, ie a mixture of lump sum and royalty payments.

Valuations of intellectual property may be required for commercial or accounting purposes or for fiscal purposes. It may be necessary to show that the proposed royalty level is reasonable for transfer pricing purposes and that the lump sum, if any, is at market value, on an assignment or deemed assignment of intellectual property rights giving rise to a tax charge.

As with any valuation of property, the first step is to identify what is being valued: in this case, the precise intellectual property rights and the basis on which they are protected (see *Borland's Trustee v Steel Bros & Co Ltd* [1901] 1 Ch 279; *Short v Treasury Comrs* [1948] 1 KB 116). A valuation for fiscal purposes will assume that the rights are capable of assignment and that the assignee would acquire a valid title to those rights, subject to any rights or restrictions, actually attached to the intellectual property (*Re Crossman* (1936) 15 ATC 94). It is by no means uncommon to find that, in the course of licensing intellectual property to a licensee, it will also be necessary to obtain permission from another owner of intellectual

property in order to exploit the product commercially. A film script based on a book is itself copyright but would require the acquisition of the film rights or a licence from the author of the book before a film could be made based on the script.

A patent may be assigned or licensed while the application is still pending. Copyright, under the Copyright, Designs and Patents Act 1988, s 91, may be dealt in before the work has been created, as a future copyright, and licensed or assigned as such.

Some of the financial reporting (ie accounting) requirements of intellectual property are discussed in **Chapter 20**.

Focus

Commercial, financial and fiscal problems with the valuation of intellectual property are introduced.

17.02 Open market value

Whether the transfer or licence is for a lump sum or periodic royalty payment, or a combination of the two, the open market value is the price which the licence or assignment would be expected to fetch if sold in the open market at the appropriate time. This applies for fiscal purposes for inheritance tax (IHTA 1984, s 160), chargeable gains (TCGA 1992, s 272), and where taxable as income (*Gold Coast Selection Trust Ltd v Humphrey* [1948] 2 All ER 379). For fiscal purposes open market value is likely to be similar to a commercial market value, as there are no deeming provisions for the valuation of intellectual property as there are for unquoted shares and securities, for example, in relation to the information assumed to be available, under either TCGA 1992, s 273 or IHTA 1984, s 168.

As with unquoted shares, the problem in the valuation of intellectual property is very often to find a meaningful comparison where the market is limited.

An open market assumes a hypothetical willing buyer and a hypothetical willing seller (*Lynall v IRC* (1971) 47 TC 375). The open market implies that the property is offered for sale to the world at large, so that all potential purchasers have an equal opportunity to make an offer as a result of it being openly known what it is that is being offered for sale (*Lynall v IRC* (1971) 47 TC 375 at 411). The open market means the market in which the property in question would normally be dealt with (*Salomon v Customs and Excise Comrs* [1966] 3 All ER 871; *Glass v IRC* 1915 SC 449; *Duke of Buccleuch v IRC* [1967] 1 AC 506). The contrast is between an open market where all potential purchasers are assumed to be around and a closed market where there is a sale on a confidential basis, for example between associated companies (*IRC v Clay* and *IRC v Buchanan* [1914] 3 KB 466).

The market value assumption that there is a willing seller who is not forced to sell (*Lynall v IRC* (1971) 47 TC 375) is counter-balanced by the assumption that the purchaser is a man of prudence and not someone perhaps carried away in the throes of an auction (*Salvesen's Trustees v IRC* (1930) 9 ATC 43; *Caton's Administrators v Couch* [1995] STC (SCD) 34; *Clark v Green* [1995] STC (SCD) 99; *Holt v IRC* (1953) 32 ATC 402). As a prudent purchaser, he will have made all reasonable enquiries concerning the property being acquired, for example whether the patents are being challenged in any way (*Findlay's Trustees v IRC* (1938) 22 ATC 437).

The open market will take into account the fact that there might be special purchasers. For example, a brilliant invention for the improvement of an existing product might be dependent for its commercial exploitation on a licence from the patent holder of the original product; which may mean that the original patent holder is likely to offer a special price, or conversely that the subsequent inventor needs to offer a high price to the original patent holder in order to exploit his improvements. Where the existence of a special purchaser is common knowledge or can be reasonably inferred it may well have an effect on the market value (*Hawkings-Byass v Sassen* [1996] STC (SCD) 319; *Raja Vyricherla Narayana Gajapatiraju v Revenue Divisional Officer Vizagapatam* [1939] AC 302; *Robinson Bros (Brewers) Ltd v Houghton and Chester-le-Street Assessment Committee* [1938] AC 321; *IRC v Clay, IRC v Buchanan* [1914] 3 KB 466; *Glass v IRC* 1915 SC 449 and *Lynall v IRC* (1971) 47 TC 375).

Although the special purchaser may in this way enter into the valuation consideration, the actual identity of the purchaser or seller is irrelevant in determining the market value (*Battle v IRC* [1979] TR 483).

Focus

Identify the intellectual property, the hypothetical buyer and what he would be prepared to pay; identify the hypothetical seller and what he would be prepared to part with his rights for; where these coincide is the market value. Danckwerts, J described this as 'a dim world peopled by indeterminate spirits of fictitious or unborn sales' (*Re Holt* (1953) 32 ATC 402 and 403).

17.03 Evidence of open market value

In spite of the open market value requirements for tax purposes, the fact is that most intellectual property licensing agreements and assignments are by their nature private transactions between a purchaser and seller on a confidential basis and the terms are seldom made public. Although, therefore, real deals form the best evidence of market value (*McNamee v IRC* [1954] IR 214), it is necessary to consider whether there are any special circumstances affecting the deal (*Stanyforth v IRC* [1930] AC 339; *IRC v Marr's Trustees* (1906) 44 SLR 647; *Holt v IRC* (1953) 32 ATC 402). In practice, information relating to real deals in intellectual property are hard to come by, although they may sometimes be inferred from articles in trade magazines or take-overs and management buyouts, where intellectual property is a major portion of the target company's assets.

Market value in private deals becomes of increasing importance as a result of the revision of the transfer pricing rules in FA 1998, ss 108–111 and Sch 16 (inserted as TA 1988, s 770A and Sch 28AA) which significantly widen the categories of persons regarded as connected for transfer pricing purposes, and passes the responsibility onto the parties to make the appropriate declarations of non-arm's length transactions as a result of self assessment for companies.

When valuing intellectual property rights for fiscal purposes, it is normally necessary to look at the entire bundle of rights being dealt with in an actual transaction (or, where there is no such transaction, a deemed disposal), and it is to be assumed that the real or hypothetical vendor is putting together the most attractive package of rights available. Most inventions are covered not by a single patent but by a master patent, with additional subsidiary patents protecting additional inventive steps that have been introduced in the course of production and development. Clearly, although each patent is an individual intellectual property right it is interdependent in order to exploit the full commercial value. There may also be production drawings which are copyright, designs which are registered and know-how which is necessary for proper commercial exploitation. This bundle of rights is often referred to as 'optimum lotting' and received judicial support in *Earl of Ellesmere v IRC* [1918] 2 KB 735. However, it is not necessary to consider every unlikely combination of rights in order to arrive at a maximum market value, as the exploitation has to be assumed to be reasonable in the circumstances (*Duke of Buccleuch v IRC* [1967] 1 AC 506; *Smyth v IRC* [1941] IR 643; *Salvesen's Trustees v IRC* (1930) 9 ATC 43; *A-G of Ceylon v Mackie* [1952] 2 All ER 775).

As with valuation generally, the benefit of hindsight is not available (*Lynall v IRC* (1971) 47 TC 375; *Holt v IRC* (1953) 32 ATC 402; *Salvesen's Trustees v IRC* (1930) 9 ATC 43; *Buckingham v Francis* [1986] 2 All ER 738; *Re Bradberry, National Provincial Bank Ltd v Bradberry* and *Re Fry, Tasker v Gulliford* [1943] Ch 35).

As with the valuation of shares, the general state of the economy, industry sector etc. will have an effect both on the discount rate to be applied in calculating a present value and on the estimate of the future royalty stream which could be earned by the intellectual property concerned.

The relevant factors in choosing the appropriate discount rate will depend upon the rate of interest available on risk-free investments such as gilts, the anticipated rate of inflation and the appropriate premium for risk, including the risks of obsolescence. In many cases, the weighted average cost of capital of a hypothetical buyer or seller for the asset will be a

reasonable starting point – the necessity of adding a premium to this figure should then be considered.

In calculating the likely future royalty stream, it is obviously necessary to consider the estimated commercial life of the intellectual property concerned. This could range from the unexpired term of a patent with a life of 20 years to copyright which may have a life of 70 years plus the remaining life of the author, or trademarks which typically have an indefinite life. However, the copyright work may have a realistic commercial life of very much less than the remaining life of the copyright, eg, a pop record, while a patent may continue to be commercially useful through the development of additional patents covering design improvements, long after the original master patent has expired. Anticipated royalties will also depend on the profitability of the product, the likely competition, the general economic climate and the requirement for capital to develop a product.

Focus

Much of the case law relating to share sales can be applied to intellectual property.

17.04 Case law – tax avoidance schemes

Assets which need to be valued in order to arrive at the value of the shares or business include intellectual property such as patents, which were considered in *RCC v Tower MCashback LLP 1* [2011] STC 1143 in which the Supreme Court found for HMRC. The case concerned a claim for capital allowances for software rights acquired by two limited liability partnerships as part of a marketed tax avoidance scheme. At [25] of the judgement Lord Hope explained that:

> ‘the investor members of the LLPs were individuals with large incomes who themselves put up only 25% of the consideration said to have been paid for acquiring rights in software. The remaining 75% was provided by interest-free loans on non-recourse terms, made to the investor members by special purpose vehicles set up for the purpose. HMRC rely strongly on the circularity of these transactions as more fully described below. The essential issue (simply stated but not simply resolved) is whether the LLPs incurred capital expenditure, to the whole stated consideration, in acquiring software rights for the purpose of their trades.’

And at [32]:

> ‘Apart from the three main groups of participants’ two banks, both based in Guernsey, were involved in the arrangements. These were R&D Investments Ltd (‘R&D’) and Janus Holdings Ltd (‘Janus’). As explained in more detail below, R&D held security deposits placed with it by MCashback, which R&D in turn deposited with Janus as security for a loan by Janus to a Tower Finance company (described in the scheme’s explanatory material as the ‘Lending SPV’). The Tower Finance company made interest-free non-recourse loans to individual investor members of the LLPs.’

And at [74]:

> ‘HMRC has now abandoned the soft finance argument as such. But it has not vanished completely, as appears from para 66 of HMRC’s printed case, quoted at para 25 above. Before this Court Mr Prosser argued (though this is probably an oversimplification of his more subtle arguments) that even if an investor member did spend the money which he borrowed (say £225,000) as well as his own money (say £75,000) he did not incur expenditure of £300,000 on acquiring software rights, because only £50,000 of the money reached MCashback, and £225,000 went into a loop from which MCashback received no immediate benefit at all. If in the future money were to flow back to MCashback out of the loop it would be because of its own commercial success in generating clearing fees. Whatever the £225,000 was spent on, it was not

> spent on acquiring software rights from MCashback, because the £225,000 never reached MCashback. (I leave open for the present the expenditure, in this example, of the £25,000 on fees and expenses).'

And at [75]:

> 'The judge was right to emphasise that the transaction was the subject of tough negotiation between MCashback and Tower (whose founder members stood to make a large gain, when the investor members' rights had been fully satisfied, if the M Rewards scheme was as successful as both sides hoped it would be). The negotiations were tough because MCashback (unlike BGE in *BMBF*) really did need up-front finance in order to roll out its software and give effect to its business plan. It saw itself as parting with potentially very valuable rights indefinitely (the investor members dropped out after ten years, but the founder members did not) for only a modest part (just over 18% before fees and expenses, or just under 17% after fees and expenses) of the total capital apparently being raised. That was because 75% of the capital raised, although not simply a sham, was really being used in an attempt to quadruple the investor members' capital allowances. That is what the tough bargain which Tower struck with MCashback enabled Tower to offer to its investor members. I have already (para 47 above) quoted Lord Goff in *Ensign* [1992] STC 226 at 245–246. The facts of that case were different, since in that case there was not "in any meaningful sense" a loan at all. In this case there was a loan but there was not, in any meaningful sense, an incurring of expenditure of the borrowed money in the acquisition of software rights. It went into a loop in order to enable the LLPs to indulge in a tax avoidance scheme. Despite the shortcomings in his decision, the Special Commissioner was essentially right in his conclusion in para 138 (quoted in [56], above).'

And finally concluded at [78]:

> 'I would direct the conclusions and amendments in the closure notices to be amended to allow 25% only of the FYAs claimed. That is in one way generous to the LLPs, since in fact about one-third of their contribution (the £25,000 in the example give above) was devoted to fees and expenses. But I think it would, in all the circumstances, be the fair outcome in a confusing case.'

In this case at first instance (*Tower MCashback LLP v RCC* [2008] STC (SCD) 1) the Special Commissioner, Howard Nowlon, stated:

> '99. I have no hesitation whatsoever in concluding that the market value of the software acquired by the appellants was very materially below the price ostensibly paid for it.
>
> '100. The factor that most obviously supports this conclusion is that whether the form of the various transactions stands up to scrutiny (and that yet remains to be seen), the transactions were in economic substance contingent instalment sales where MCashback would only eventually receive the full price over a ten-year period, and indeed would receive it (assuming no sale and there was no arrangement for any sale) only if the figures of clearance fees assumed in the business plan *were materially exceeded*. As a consequence, at the date of sale, MCashback would only have at its disposal an amount equal to 18.2% of the gross capital contributions made to the LLPs. If the software intended to be sold to the four LLPs was in fact worth the £143m, aggregate price, why did MCashback not find the willing purchaser ready to pay this price, and why did it instead choose to proceed via a complex transaction that was only expected to deliver at the outset approximately £26m? In fact of course it produced far less than £26m because the lack of appetite on the part of genuine investors for the transaction resulted in no completion of the sales occurring until January 2005,

the LLP3 transaction being completed on an instalment basis at a later date still, and by far the largest transaction, that involving LLP4, never being completed at all. And the 'outside' funds contributed into LLP1 amounted to only £700,000.

'101. Consistently with the fact that whatever the form of the transactions, the deal was economically a contingent instalment sale from both the perspective of the seller and the buyers, no serious attention was ever given to the valuation issue. A business plan was produced containing staggering rising figures of revenues over a ten-year period for a software concept that had at the point of the preparation of the figures been sold to no one. I saw absolutely no evidence that ever addressed whether the figures in the business plan were carefully calculated and cautious estimates, or whether they were 'away with the fairies'. In reality it did not particularly matter whether the figures could be supported because the proposed transaction was only ever going to be put to investors on the basis that their ceiling exposure would be for 25% of the price paid, and the expected tax relief (that could even be carried back to the previous year) was expected and represented to be worth not 25% of gross price paid, but 40%. I am not suggesting that the transaction was a fraudulent one where the aim was to sell capital allowances in relation to a fictitious sale of near worthless software. But I certainly say that the reality of the transactions meant that nobody had to give that figure, or indeed any figure that should not be more than underwritten by the tax relief expected from the exchequer.

'102. It was suggested in argument by Counsel for the Appellants that the software was worth the full price paid on the assumption of an outright purchase by a purchaser providing the entire purchase price of his own resources. And it was then contended that if the transaction had instead been an instalment sale the price would have been higher. I am simply unable to understand how this could be advanced as an argument. I note that this argument did at least recognise the inevitable difference in price between the price command in an outright sale, and that in an instalment (or I would say 'a highly contingent instalment') sale. Why it is supposed however that the parties would have failed to note that notwithstanding its form, this transaction was economically identical to a contingent instalment sale I simply cannot understand …

'108. My conclusions on the valuation issue are that:

> I do not purport to have any clear idea what the 13% interest in the software was worth in 2004, and I heard no evidence that could enable an experience valuer, let alone me, to make that judgement.
>
> I consider that the actual figures bandied around, and inserted into the business plan, were highly optimistic, untested and unreliable aspirations. Some people might have genuinely believed them, but their approach to valuation would inevitably have been influenced by the fact that the proposed transaction meant that no-one would have to rely on the figures or pay either anything approaching the full price on an outright basis, or indeed even as much as the projected front-end savings, in tax;
>
> In my view it is ridiculous to try to support a market valuation of the software by reference to the proposition that independent people gave percentages of £143m for it, when no-one gave anything other than 25% on a very contingent instalment basis; no-one expected to spend more than 62% of their projected tax savings on their total capital contribution to the project; several investors backed off; and the sum raised from outside investors in LLP1 at as late a date as January 2005 was only about £700,000;

> In short, the appellants' valuation arguments fail to establish their case by a very wide margin indeed.'

In *Acornwood LLP and others v HMRC* [2014] TC 03545, UK FTT 416 (TC), it was held that 51 Icebreaker limited liability partnerships to exploit films and other forms of intellectual property, on which tax relief on losses of £336,187,867 had been claimed, were tax avoidance schemes, which failed to give rise to losses offsettable against other income as the partnerships' trades were uncommercial; the members were non-active. Relief claimed under TA 1988, ss 380 and 381 and ITA 2007, ss 64, 66, 72, 74 and 74ZA–74D was disallowed. The Partnership (Restriction on Contributions to a Trade) Regulations, SI 2005/2017 were not in point. In deciding whether there were tax avoidance arrangements in place, under ITA 2007, s 74ZA, the tribunal judge referred to *Snell v RCC* [2008] STC (SCD) 1094; *Lloyd v RCC* [2008] STC 681; *IRC v Brebner* [1967] 2 AC 18; *A H Field Holdings Ltd v RCC* [2012] UKFTT 104 (TC); *IRC v Trustees of Sema Group Pension Scheme* [2002] STC 276.

In *R (on the application of Silva and another) v HMRC* [2014] All ER (D) 66, which was a judicial review case, HMRC challenged a film partnership scheme by an enquiry into the returns of the partnership which was subsequently settled by agreement under TMA 1970, s 54 by reducing the losses available for relief. HMRC so informed the individual partners who argued that their loss claims were not to be regarded as claims made in a personal tax return under TMA 1970, s 8, but were standalone claims under TMA 1970, Sch 1A and HMRC were out of time to amend such claims. The Upper Tribunal held that the challenge under s 8 was appropriate and dismissed the taxpayers' claims.

Clavis Liberty 1 LP (acting through Mr D J Cowen) v HMRC [2016] UKFTT 253 (TC) was an income tax avoidance scheme promoted by Mercury Tax Strategies Limited under which a partnership purchased the rights to certain dividends which were received but were excluded from the computation of income of the partnership for tax purposes, which, it was claimed, resulted in a loss under TA 1988, s 730. This claim was rejected as the partnership was held to be trading in short dated securities but this did not include the purchase of dividend rights and the scheme fees of £761,363 paid to Mercury were not a deductible trading expense.

In *Premier Telecom Communications Group (PTCG) and D M Ridge v D J Webb* [2014] EWCA Civ 994, the Court was asked to value Mr Webb's 40% shareholding on the basis of fair value on a pro rata basis without a discount to reflect a minority shareholding. The Court held that this was exactly what the valuers, Grant Thornton, had done and dismissed the appeal.

Seven Individuals v HMRC [2017] UKUT 132 (TCC): the *Acornwood LLP v HMRC* case was appealed to the Upper Tribunal at [2016] UKUT 361 (TCC) and *Bastionpark LLP v HMRC* [2016] UKUT 425 (TCC).

The present case relates to individual referrors as a representative of about 900 members in all and about half had joined the Icebreaker Members Action Group (IMAG). The seven members were members of different schemes in 2006–07 to 2009–10. The basis of the relevant schemes had been summarised in [2016] UKUT 361 (TCC).

The FTT found that none of the LLPs had come close to earning a commercial rate of return on its members' personal contributions. Acornwood, for example, had gross receipts of £37,952 in the years to 31 March 2011 and the amount subscribed was £5,355,000, of which 75% was borrowed and the balance of 25%, £1,338,750, contributed by its members. ITTOIA 2005, s 863 applies to a limited liability partnership if it carries on a trade, profession or business with a view to profit under TA 1988, ss 380–384, in which case it is a transparent entity and its activities are treated as carried on in partnership by its members (and not by the limited partnership as a separate entity).

HMRC, however, accepted that the trades were carried on with a view to profit and TA 1988, ss 380–384 or TA 2007, ss 64–74 applied to restrict the loss relief to the income received in the first four years of trade. Non-active partners' relief was restricted further by TA 1988, ss 118ZE and 118ZH unless at least an average of 10 hours a week was personally engaged in activities carried on for the purposes of the trade in order to set the losses against other income.

ITA 2007, s 747ZA applies to post-21 October 2009 cases to deny tax relief for tax-generated losses with a main purpose of obtaining sideways loss relief or capital gains relief.

Wannell v Rothwell [1996] STC 450 referred to 'a serious interest in profit is at the root of commerciality', while 'a view to profit' is referred to in *Ingenious Games LLP v HMRC* [2016] UKFTT 521 (TC).

The Supreme Court, in [2016] UKSC 13, considered the joined cases of *UBS AG v HMRC* and *D B Group Services (UK) Limited v HMRC* involving schemes designed to avoid the payment of income tax and NICs on bankers' bonuses under ITEPA 2003, Chapter 2, Part 7 as amended by FA 2003, Schedule 22.

In *Barclays Mercantile* [2002] EWCA Civ 1853, [2003] STC 66, schemes such as these 'draw their lifeblood from real world transactions with real world

For more information about Practical Share Valuation:

Visit: www.bloomsburyprofessionaltax.com/sharevaluation

Call: 01444 416119

Email: bptax@bloomsbury.com