



Farming: Diversify or die

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You would normally expect to find copies of *The Economist* and the *Financial Times* on the reception table when you call on an accountancy firm. But at Butler & Co, you can spot the latest copy of *Horse & Hound* sat on top of the pile of newspapers, a clear reflection of its clients and its expertise. And of the fact that managing partner Julie Butler is the local fox-hound master.

Butler set up the firm in the mid-1980s at her home in Bramdean, Hampshire, moving into offices in the Hampshire village of Arlesford in 1992. Two further offices were opened during the 1990s, by which time Butler had carved a niche as a farm and equine tax expert. As the author of *Tax Planning for Farm and Land Diversification* in 2002, she had seen the emergence of a new breed of farmer and land agent that needed to understand tax. 'I thought there was a new market out there – I had clients that were well educated, sitting on assets of, say, £7m, and who wanted to protect them for their children and themselves,' she says.

She originally saw the need for farm diversification in the mid-1990s shortly after the price of corn fell through the floor. 'I linked up with some land agents and planning consultants, walked around the farms and saw things like broken down old barns that could be used for storage, or some pony paddocks, or other ways of unlocking the value of the land through planning permission. We also looked at different ways of raising finance,' Butler recalls.

During this time she has also seen the rise of the 'lifestyle' farmer, a trend that also caught the eye of Revenue & Customs as rich individuals attempted to claim their farmhouses were exempt from inheritance tax. Several court cases later and it is now possible to see a more clear definition of a farmhouse, but have the lifestyleers spoilt the party? 'No, I believe the lifestyleer can often add value in an integrated way,' Butler argues. 'They often have the funds that the traditional farmer doesn't have available to restore farms. At a rural level I actually think the government and the rural economy have embraced the lifestyleer more than perhaps the outside world would imagine. They keep the rural economy employed; rural inhabitants can stay in the rural places because they [the lifestyleers] need builders, they need fence builders, they need advisers, they need cleaners, they need the services of the rural community and infrastructure while they are building up and diversifying.'

But Butler also has the opportunity to practise what she preaches – married to a farmer herself, she is now looking at various possibilities for another farm she recently inherited. Such possibilities include woodland burials, a growing trend among those concerned about the carbon footprint left behind through cremation.

Through her position as fox-hound master, Butler is able to hear first hand the views of the rural community, and she is optimistic for the future. 'But so much will rest with the general economy, food prices, property prices, what happens in the City, and what the government's continued response to taxes is,' she says, adding: 'And I get the feeling that, no matter what happens, some of the farmers will not give up, they will carry on – it is a passion.'

