

## 12. DEFINITION OF PARTNERSHIP PROPERTY

A recent case regarding the defining of partnership property flags up the need for all advisers to be careful about partnership property assumptions and the importance of clear legal definition. The case is *Ham v Bell & others* [2016] EWHC 1791 (Ch), which came before the High Court on the question of whether the farm, which had been an asset of the old partnership of Mr Ronald and Mrs Jean Ham, became an asset of the new partnership of Mr and Mrs Ham with their son, John Ham.

The key point in deciding whether it was partnership property was what the original owners of the farm, Mr and Mrs Ham, intended. It was decided that accounts are no more than evidence and if they do not reflect what was agreed they could be disregarded. This shows the need for accountants to ensure that the accounts reflect what was agreed and if necessary ask the clients to take legal advice in respect thereof.

**Contributed by Julie Butler, Butler & Co**