



INDUSTRIAL COMMITTEE

Practice Note 9

REVALUATION 2005

Valuation of Natural Mineral Water, etc.

1.0 INTRODUCTION

Subjects dealt with.

This practice note applies to the right to take water and includes all mineral waters bottled, whether extracted from borehole, spring, artesian well, river, loch, or other source.

2.0 BASIS OF VALUATION

The right to take water was accepted as a rateable item by the Lands Tribunal for Scotland in the Campsie Spring (Scotland) Ltd -v- Assessor for Dunbartonshire and Argyll & Bute Valuation Joint Board case in 2000, and passing royalties were accepted as an appropriate measure of rent.

3.0 VALUATION

The elements normally included in the valuation include:

- The right to take water. In the absence of local evidence a rate of 0.16 pence per litre should be applied to the volume of water bottled by producers of 20 million litres per annum and above. The rate per litre where production is below 20 million litres per annum may vary and due to local considerations could be significantly in excess of that applicable to larger producers.

In the absence of local evidence it is recommended that a rate of 0.20 pence per litre should be applied to volumes of water bottled below 20 million litres per annum.

Where volumes are between 15 million and 20 million litres per annum interpolation between 0.20 pence and 0.16 pence may be appropriate. This would prevent a subject with a volume of between 16 and 20 million litres attracting a higher end value on the water element than a subject with a volume of 20 million litres.

The royalty rate (or where appropriate, a rate based on local evidence) shall be applied to the volume of water abstracted for bottling in the year to 31/03/03. It may be appropriate to look at the volumes bottled in other years in order to determine the maintainable volume.

- Rateable Plant should be valued by reference to Basic Principles Practice Note 2 (Contractor's Basis Valuations) and by reference to the Valuation Office Agency/SAA Rating Cost Guide.
- Associated buildings should be valued by reference to the Industrial Committee Practice Note 1 (Comparative Principle) and/or local evidence.