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OUR GUIDE TO THE CASE OF MOORE v MOORE¹

Background

Described by the Judge as “ruinous in human and financial terms”, this case involves a family farm and a breakdown in relations between family members.

Mr & Mrs Roger Moore were both aged 76 in 2018 and were the third generation of the Moore family to have farmed at Manor Farm, near Salisbury, which extended to 650 acres of arable land. Roger had traded in partnership with his brother Geoffrey since 1966 and, latterly, since 2004, with the addition of his son, Stephen. In 2008 Geoffrey retired and gave his share of the partnership, worth approximately £3 million, to Stephen in return for £500,000.

Following the breakdown in the relationship between Stephen and his parents in 2009, the partnership was dissolved and Roger applied for the winding up of the partnership in 2013. Stephen entered a defence and counterclaim.

Proprietary estoppel

Following a nine day trial in 2016, Stephen succeeded in his claim for proprietary estoppel. ie that he had relied upon promises made to him by his father that he would inherit the farm one day, upon his father's death or retirement. The Court heard that Stephen had worked long hours for minimal wages since returning to the farm from agricultural college in the 1990s.

It was accepted that Stephen had suffered detriment in:

- Committing himself to the farm without regard to his own position or that of his wife and daughters;
- Taking no steps to explore other career opportunities;
- Not seeking alternative employment within agriculture;
- Working at rates of pay below what he could have earned on an employed basis; and
- Not securing a property in his own name, whilst living in a property in the joint ownership of Geoffrey and Roger.

The Court's decision

It was decided that Stephen should take over the business immediately and that the business assets should be transferred into his sole name, including three properties, one of which was the home of Mr & Mrs Roger Moore.

It was provided that Roger would continue to live on the farm and that he and his wife would be paid a weekly allowance from partnership funds.

The Appeal

Roger challenged the Court's decision and the Appeal was heard in October 2018. At this time the professional costs of both sides had risen to £2.5 million, in the context of Roger's half share of the partnership being valued at £5 million.

The Court upheld Stephen's proprietary estoppel claim, but found that the original judgement was too generous to him. He was ordered to pay a lump sum to his mother, to allow her to live independently, of £1-2 million. Roger was, by this time, said to be suffering from dementia and now lived in a care home. He had been represented by his wife, who was his litigation friend, as he lacked legal capacity.

Stephen was also to be responsible for the tax liabilities which would arise from the transfer of assets and the lump sum payment

Conclusions

This sad case highlights how costs can escalate when relationships break down. Settlement, possibly through mediation, should have been thoroughly explored at the earliest possible opportunity. Joint expert witness evidence could also have assisted the Court rather than delaying matters unnecessarily.

If you would like specific guidance for you or your business, talk to Agri Assist today.

¹ Moore v Moore and another [2018] EWCA Civ 2669