

"We take the headache, stress and hassle out of accounts, finance and tax planning"

Consequences of Lack of Financial Planning 2016







"Farmers who farm for

lifestyle run bad businesses,

but farmers who run their

farm as a business have a

great lifestyle"





Why Financial Plan?

- Gain better financial understanding
- Capital
 - Allows you to budget for capital expenditure
- Income
 - It's possible to manage income more effectively through planning.
- Standard of Living
- Cash Flow





The Three Must Important Questions!

• Where are we?

• Where do we want to be?

How do we get there





Why Should You Analyse Past Performance?

- Allows you to make sound business decisions based on actual production outcomes.
- Helps to identify and learn from mistakes.
- Allows you to identify strengths and weakness in the Farm.
- Helps you to see opportunities for future improvement.
- Helps you to recognize good or bad trends in the Farm.
- Allows you to compare different alternatives.
- Helps you to develop a sound Farm plan.



PROFIT IS NOT THE BOTTOM LINE





Where are Profits going?

- Drawings
- Tax
- Capital Repayments
- Capital Expenditure





Cash Flow

"Cash flow is the movement of all "cash" in and out of the business over a given time period"

Cash is the "lifeblood" of a business!





Source & Use of Funds

Net Profit / Loss (As per P & L Account)	€	97,040.00	Purchase of L	and / Quota		
		,	Purchase of C	•	€	20,000.00
Add Back Non Cash Items						
Decrease in Stock Values	€	-	Increase in St	ock	€	15,496.00
Depreciation	€	34,060.00				
Sale Of Capital Items	€	4,500.00				
Receipt of Capital Grants	€	11,366.00				
		Personal / No	n Farm			
Cash from Investements	€	5,900.00	Drawings		€	51,898.00
Non Farm Income			Taxation		€	18,752.00
			Purchase of I	nvestments	€	3,289.00
Total	€152,866 (A)				€2	L09,435 (B)
The Deficit (A minus B has effected your Finance	s)			€43,43	31	
Loan Balances		Down	€	23,452.00	Ро	sitive
Overdraft		no change	€	-	No Change	
Cash On Hand / Deposits / Debtors		Up	€	7,082.00	Positive	
Creditors		DOWN	€	12,897.00	Ро	sitive
14/10/2015						ww.mac



Net Worth – They Key Points

- Are you "paying" your way? Are your liabilities being paid year on year?
- Is your Network increasing because of changing valuations? Be very careful with valuations!
- Increases in Stock- increase in numbers will increase your valuation of your stock but not necessary your Net worth – how did you "pay" for this stock
- Do you fully understand where your "profits" are being used?



Budgeting





Why Budget & Cash Flow Plan?

- Helpful in preparing statements of receipts and expenditure.
- Helpful to draw alternate plans of quick improvement on the existing plan.
- Helpful in analysing business carefully





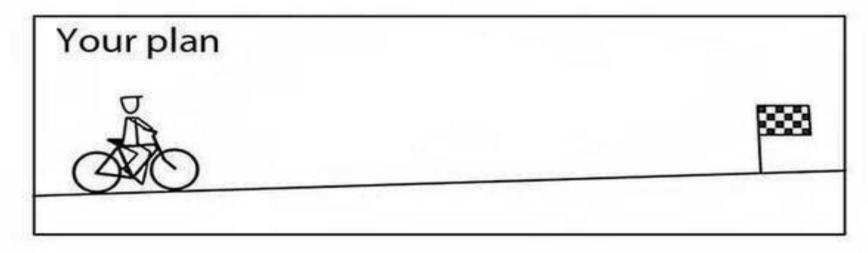
Why Do Budgets – The Farmers Perspective

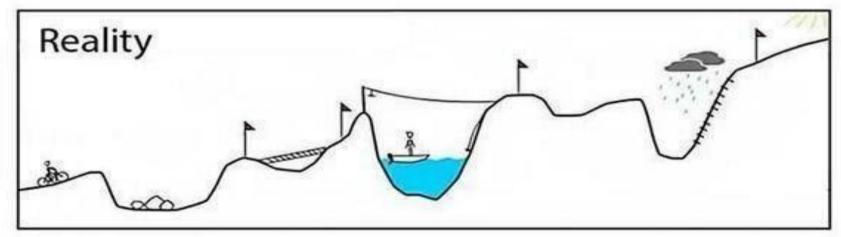
- It allows farmers make mistakes on paper
- It allows farmers review multiply options
- Doing the projections /plan is often more valuable

than the outcome!





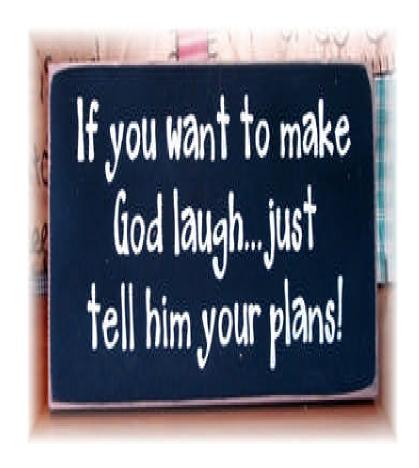






The Lessons

- Plans change
 - Don't become beholden to the plan!
- Compare budgets with actual
- •Always ask WHY?



Stability & Experience are the hallmarks of the IFAC Service

Any Questions?

