

## Financial Planning

### Understanding your farm's financial performance

The financial performance of a farm will indicate how well the farm is operating. Cash flow is the most important financial measure you should use when completing financial analysis. Cash flow is a measure of the cash that is available after the day-to-day operation of the farm. This is the source of cash that is used as household income on many farms.

### Importance of awareness of financial position

It is only when you regularly review financial reports that you are in a true position to plan the future of your farm business. Financial analysis must be based on solid information. If a farm business is failing, the long-term consequences for the farm family will be more severe if no action is taken. The loss can be minimised if the overall financial position is identified as early as possible.

### Information needed

All farms should have a cash flow analysis which includes budgets and a budgetary plan for the future.

- A breakdown of all assets and liabilities of the farm business and farm household.
- It can be a very useful exercise to look at the previous year's performance and then make comparisons.

### Help with improving financial management

- The farm accountant can provide an indication of financial performance. They can also make recommendations or refer you for more specialist advice.
- Your accountant or a financial/ farm business consultant can help you to analyse your business and has useful tools available to help you keep records and provide guidance on managing finances.

### Training and up skilling on financial recording

There are a range of courses/ programmes being offered to help develop skills in farm or general business financial management:

#### CAFRE Farm Family Key Skills (FFKS) programme

Offers workshops to help Northern Ireland farmers with their business decision making in the key areas of Animal Health, Business Planning, Health & Safety and ICT.

[www.cafre.ac.uk/industry-support/farm-family-key-skills/](http://www.cafre.ac.uk/industry-support/farm-family-key-skills/)

Tel: 0800 028 4291

### Rural Support's Farm Business Support

Rural Support provides a range of free, independent and confidential support to help farm families tackle farm business issues such as finance/ debt, farm management and business decisions regarding the future. This support is delivered via information sessions, workshops and on -farm business support delivered by a team of business mentors experienced in agriculture and finance.

**[www.ruralsupport.org.uk](http://www.ruralsupport.org.uk)**

Freephone Helpline: 0800 138 1678

(Mon-Fri 9am to 9pm)

### The Prince's Farm Resilience Programme

Run by Prince's Countryside Fund and facilitated by Rural Support in Northern Ireland provides support through one-to-one, on farm mentoring and group workshops focusing on areas such as finance and business planning, making efficiencies and looking at new opportunities, preparing for the future, succession planning and change management.

**[www.princescountrysidefund.org.uk](http://www.princescountrysidefund.org.uk)**

Tel: 0207 566 8695