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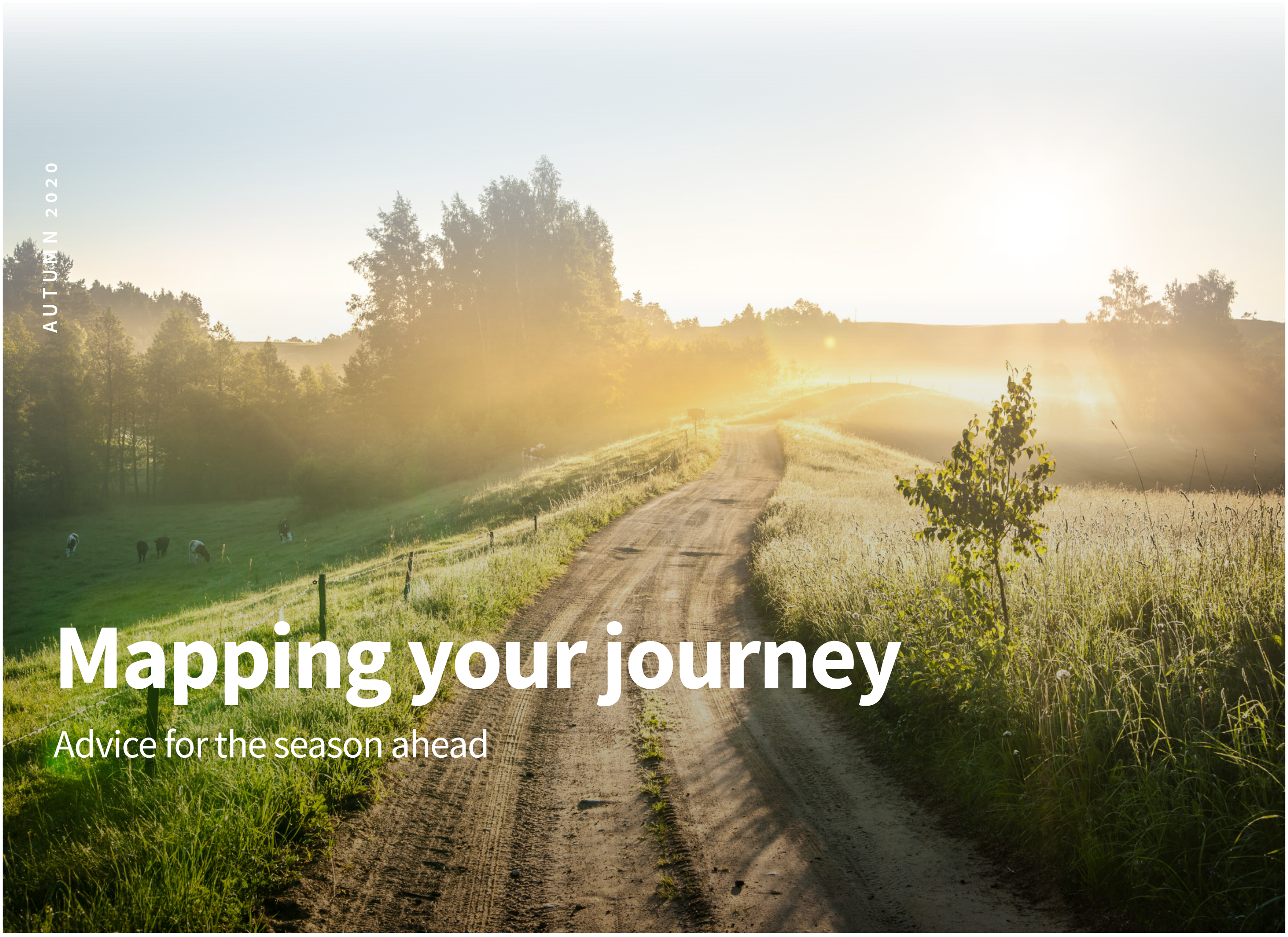

AUTUMN 2020

Mapping your journey

Advice for the season ahead

Building the future

John Donoghue
CEO

Being a farmer isn't easy; hard work, long hours, and big decisions are all in a day's work. A farmers' most significant business decision is when to sell or transfer their farm. While the inevitable exit moment is up ahead for every farmer and is usually well signposted, farm transfer can always be put off until tomorrow, next week, next month, or next year. These delays can be costly in terms of fees and taxes, and more importantly, opportunity loss.

There is a moment of maximum opportunity for both the current and future farm owner; often, that moment is the same for both parties, and if lost, can be gone forever. We all know the story of the fifty-year-old son/daughter "nearly ready" to take on the farm from their well-intentioned but reluctant parents. And indeed, we have all seen what happens when a Will is absent or poorly written, as once reasonable family members become unwilling and then ferocious opponents.

Getting your plan in place and talking and listening to all relevant stakeholders is a recipe for a farm's successful transition. When you have a plan, the next step is to make it happen. Our teams in *ifac* have travelled the succession/transition road many times; please don't hesitate to contact us. We are here to help.

"Slow but steady wins the race" (Aesop). Our Food and AgriBusiness Report 2020, outlined by David Leydon in this edition, tells us the food and agribusiness sector, while massively challenged by Covid-19 and Brexit, continues to move forward. Slow but steady, less confident than before, yet still investing in infrastructure, people, and digital development.

Our Report confirms some 6 out of 10 SMEs surveyed are consuming Covid-19 supports. Ensuring SMEs have the resources they need to stay afloat is the job of Government. We need this vital work to continue.

> **"Slow but steady, less confident than before, yet still investing in infrastructure, people, and digital development."**

There are more challenging days ahead. Support your community, shop local, and encourage friends and family to do likewise. Together, we will all help ensure regional Ireland continues to be a great place to live and work.

Stay safe, and stay positive.

Transitioning your farm to the next generation — What's your plan?

Robert Johnson
Senior Tax Consultant

Unfortunately, many people do not have an effective plan in place for what will happen to their personal and business affairs when they die. Sorting out the problems that this can create is often time consuming and expensive for families. It is also stressful and can lead to conflict between family members. So, what can you do to ensure that this does not happen to your family?

Make a Will
It might sound obvious, but the first thing you need to do is make a Will. This needs to be properly drawn up by a solicitor, otherwise it could be invalid. Your Will needs to be reviewed from time to time to make sure that it continues to reflect your wishes. If you do not make a Will, or if your Will is invalid, then your assets are distributed according to the laws of intestacy. This means if you are married, or have a civil partner, and have children, your spouse/civil partner will inherit two-thirds, or your estate and your children will share the other third.

Enduring Power of Attorney
Another thing to consider, is what could happen if you became mentally incapacitated through accident or illness or if you developed Alzheimer's disease or dementia. Without forward planning, this could cause serious practical difficulties —for example, your family might not be able to access your bank accounts to pay your bills. However, you can avoid this problem by creating an Enduring Power of Attorney. This is a legal arrangement where you nominate a trusted person to act on your behalf. Unlike a general Power of Attorney which only operates in specific circumstances and ceases if you become mentally incapacitated, Enduring Power of Attorney is activated only when you become incapable of managing your own affairs.

Life File
It is also advisable to create a 'Living File' or 'Life File' to store all the information that the person dealing with your affairs after your death will need. Some of the documents to include in this file are; Will, up-to-date list of assets, life assurance policies, burial/cremation wishes, etc.

What to look out for
When planning for what will eventually happen to a family farm or business, there are important tax and timing issues to consider. Keep in mind that a farm is a valuable asset so transferring it needs to be planned in a tax-efficient manner. The earlier you seek professional advice on this the better.

Transfers that occur before you die
If you have a successor in mind, you will want to help them prepare for their future role. One tax-efficient way to achieve this is to enter into a Succession Registered Farm Partnership which provides an incentive in the form of an income tax credit of €5,000 for up to five years, allocated on a profit sharing ratio between a qualifying farmer and his/her successor. When transferring your farm to a successor, you may be liable for Capital Gains Tax. Timing is crucial because if you are aged under 66 and passing the farm to a family member, CGT relief

is unlimited once you satisfy the relevant conditions, however if you are over 66, the relief is restricted to €3m.

You do not have to pay CGT if you transfer land to your child for a house provided that the house will be your child's only or main residence.

If you are transferring your farm to a person who is not a family member and are aged under 66, you can claim full relief when the market value does not exceed €750,000. The threshold is reduced to €500,000 if you are over 66.

If you decide to sell your farm as you approach retirement, Retirement Relief could eliminate your CGT liability if you satisfy the relevant conditions. Alternatively, qualifying for Entrepreneur Relief could reduce CGT to 10%.

Transfers that occur after you die

Where a transfer happens after your death, the person who inherits your assets will be liable for Capital Acquisitions Tax (33%) on the value above a certain threshold. If the inheritance qualifies for either Agricultural Relief or Business Relief, the taxable value is reduced by 90%.

Stamp Duty

Stamp Duty also must be considered during transfers. The rate depends on the type of property and the value. Reliefs are available for farms but, once again, timing is important. Consanguinity Relief reduces the Stamp Duty on qualifying assets from 7.5% to 1% on transfers up to 31 December 2020, consolidation relief allows for a 1% rate of Stamp Duty on qualifying transactions up to 31 December 2020. Young Trained Farmer Relief could also offer full relief on qualifying transfers up to 31 December 2021, however, there is a cumulative lifetime cap of €70,000 on the amount of tax relief that a young trained farmer can claim for Stamp Duty relief, stock relief and the succession farm partnerships tax credit. Transfers between spouses, are exempt from Stamp Duty.

Protecting yourself and your family

Before disposing of assets, it is important to protect your own financial security and that of your spouse. You also need to think about what, if any, future involvement you wish to have on the farm, whether you need to take money out of the business to provide for other family members, and what will happen to the farm dwelling house. All of these matters should be discussed with your professional advisors before any decisions are made.

Fair Deal Nursing Home Scheme

If you intend to avail of the Fair Deal scheme, it is important to be aware that 7.5% of the value of the farm must be set aside annually to fund nursing home fees however there is a three-year cap on contributions taken by the State provided your successor continues to operate the farm for six years.

Involve the family

Family relationships often come under strain at times of grief and emotional stress however you can reduce the chance of future conflict by involving family members when you are making plans for your farms future. Good communication with those who will be most affected — your successor, your spouse, and your children — will help ensure a smooth transition. Where consensus is hard to achieve, getting your accountant or solicitor to chair family meetings can be a good way to resolve differences and arrive at a shared understanding of what is in the best interests of your family and farm.

Contact our experts today

Our specialist tax team have years of experience with farm succession and are on-hand to help you decide on a plan that suits you and your family.

Contact us at **1800 334422** or email **info@ifac.ie**

Are your farm finances in good shape?

What does the profile of a "financially fit" farmer look like? If we look at the profiles of some of the better financial performers, one of their most important attributes is their strong focus on financial management.

Philip O'Connor

Head of Farm Support

- These farmers generally prepare their own budgets in conjunction with their accountant /advisor and have full ownership of the figures.
- Monthly cashflow budgets are monitored extremely closely and changes to inputs and output prices are updated within the budget make sure to keep the document "live".
- Adjustments are made to budgets as milk, cattle prices change etc, repairs, and maintenance costs etc. arise.
- Detailed benchmarking is undertaken with their chosen peer group – discussion group, co-op, etc. so that these farmers know how they perform from year to year against their peers.

To become one of these top financial performers you need to start with creating a cashflow budget for your farm. It may seem like a huge task the first time you draft one, but budgets can make a big difference in improving the profitability of your farm by increasing confidence in decision making and increasing profits for your farm. By creating a detailed farm budget, you gain control over your financial resources and help you identify your farms strengths and weaknesses.

How do you decide to buy a machine or land?

Do you make this decision based on an emotional want rather than an informed business need? If so, then you're not alone. A cashflow budget helps you gain control of your finances and gives you the tools you need to project future cash flow and help manage your assets and liabilities. It helps answer the "What if" scenario such as buying more lands, purchasing a new piece of equipment – can the business afford to buy and does the business really need to buy?

We recently launched our new FarmPro service for farmers, supported by Bank of Ireland, which uses Figured, a leading New Zealand based farm accounting software, that gives you up to date and accurate data in one place. Populated with data collated by our bookkeepers, in conjunction with stock data provided by ICBF, FarmPro automates the significant manual effort required by farmers to complete and update their cashflows and budgets.

What's the benefits of FarmPro by *ifac* for farmers?

- **Track farm production** – livestock, crop and milk sales against operational expenses.
- **Real-time data** allows the whole farm team to collaborate online with one set of data.
- **Advisory service** – providing clients with budgets, cashflows and regular reviews of their financial data and pro-active tax advice and financial planning throughout the year.
- **Multi-farm feature** – you can see how each individual holding is performing.
- **Benchmarking projects**, such as discussion groups, co-op milk suppliers, new milk entrant groups etc.
- **"What if" scenarios** to provide financial projections for 5/10 years etc.

*If you'd like to find out more about this service, please contact the FarmPro team by email at **farmpro@ifac.ie** or call **052 744 1772.***

Employers - Are you ready for a WRC visit?

While the farming community has put a great effort into ensuring compliance with Revenue, it is only when farmers are informed of an impending visit by the Workplace Relations (WRC) that concern sets in.

Mary McDonagh
Head of Payroll Services

When a farm is selected for inspection, the farmer will usually receive written notification containing a proposed date and time for a visit, however in some instances an inspector may turn up unannounced.

What prompts inspection?

The reasons for an inspection range from routine visits to WRC having received a complaint alleging non-compliance with employment legislation. Some visits are triggered by WRC compliance campaigns focusing on specific sectors (e.g. Agriculture) or specific legislation (e.g. Work Permits).

What is the purpose of the inspection?

The purpose of the inspection is to check that the employer is complying with employment legislation. The inspector is therefore likely to examine employment contracts, terms and conditions of employment, annual leave records, timesheets, and various other employee records.

Where does the inspection take place?

As employers are required to hold employee records at their place of business, this will usually be the venue for the inspection. While an employer can request an alternative location if they have a good reason for doing so, it is crucial to contact the inspector in advance and advise him/her of that reason. Inspectors also need to be informed if the inspection will take place in a private residence as they do not enter private residences without the consent of the householder or a Court Warrant.

Preparing for the visit

If you receive notification of a proposed inspection, it will come with a template containing a number of questions to be completed in advance of the visit and available for inspection on the day. Details of other documentation which the inspector will seek to examine are available in WRC's 'Employer's Guide to WRC Inspections'.

> "The reasons for an inspection range from routine visits to WRC having received a complaint alleging noncompliance with employment legislation"

What to expect during the inspection

At the outset of the inspection, there will be an interview with the employer or his/her representative. The inspector will ask to examine the relevant documentation. While they can look for employment records going back 3 years, usually they focus on the previous year's records only. Once the relevant records have been examined, a sample of employees will be interviewed to check the veracity of records and information provided during the inspection. The WRC can interview employees without the employer's permission, however they usually request permission as a matter of courtesy.

The employer can ask to have employee interviews conducted off site. A sample Employee Questionnaire is available on the WRC website.

Inspection findings

Once the records have been examined and the employer and employee interviews have taken place, the inspector will hold a further interview with the employer to outline the findings. If minor breaches have been uncovered during the visit, the inspector will usually request that these are rectified and will follow up to ensure that issue/s have been corrected in line with legislation. Once everything is in order, a letter is issued to conclude the inspection. Where serious non-compliance and/or non-cooperation issues arise, the WRC may invoke sanctions.

For more information and/or advice, please contact our Payroll Services team on 1800 714 050.

EMPLOYER'S CHECKLIST

Do I have the following items?

- ☐ My employer's registration number with the Revenue Commissioners
- ☐ A list of all my employees: including full names, address and PPS numbers
- ☐ Dates of commencement and, if relevant, dates of termination of employments
- ☐ Written terms of employment for each of my employees
- ☐ Employees' job classification
- ☐ A record of annual leave and Public Holidays taken by each employee
- ☐ Hours of work for each employee (including start and finish times)
- ☐ Payroll details including: gross to net, rate per hour, overtime, deductions, commission, bonuses and service charges, etc.
- ☐ Evidence that I provide employees with payslips
- ☐ A register of any employees under 18 years of age
- ☐ Details of any board and lodgings provided
- ☐ Employment permits or evidence that permit is not required as appropriate for non EEA nationals
- ☐ The completed template sent with the appointment letter or the same information available in a similar format.

Source: Workplace Relations Commission, 'An Employer's Guide to WRC Inspections', September 2018

Food & AgriBusiness Report 2020

Our annual Food and AgriBusiness Report aims to give owners and leadership teams of food and agribusinesses pause for thought as they battle with the daily challenges of running a successful business during a pandemic. Here are our key points for reflection:

David Leydon
Head of Food & AgriBusiness

1. **Planning is everything.** We believe strongly that taking the time to plan how your business will evolve and grow is very worthwhile. Developing your own planning cycle will make a sustained difference to your business.
2. **Analysing the trends** we highlight throughout the report will help you and your team work out how to gain a competitive advantage over your competitors and meet your evolving customer needs.
3. **Building your digital capability** is a must-do at this stage. The businesses which will win are those who are adept at using digital technology in all parts of their business - obviously the front end elements like trading online or using social media effectively - but just as importantly the business processes in production, finance, sales and all other departments.
4. **Invest in automation.** Use it effectively to save costs, build resilience, increase consistency and redeploy your team to higher value work.
5. **Packaging** is an exciting space with changes around sustainability as well as how your product will look on a digital shelf or in a home delivery context. Getting it right is a challenge that must be embraced.
6. **The jobs market** has turned somewhat in favour of employers - hire the person or people who will make a positive difference for your business.
7. **Manage your climate change actions** – what works for the climate often also works for your bottom line. Initiatives in areas like waste management, packaging and renewable energy can all have positive impacts, so take time to identify the most suitable wins for your business.
8. **Supports** - ensure your tax advisors are effectively using R&D Tax Credits, Knowledge Development Box reliefs and when transitioning the business, retirement and business reliefs. Maximise the use of State supports from your Local Enterprise Office, Intertrade Ireland, Enterprise Ireland and Bord Bia as you look to innovate and diversify.
9. **Look after yourself and family** - make sure that life assurance, pensions and your Living File are all up to date.
10. **Most importantly, plan for Brexit.** Focus on your supply chain, VAT, tariffs, working capital and communication with all impacted stakeholders.

The Food & AgriBusiness 2020 report can be downloaded here: www.ifac.ie/ifacreport #ifacreport

Key Takeaways

COVID-19 IMPACT

6 out of 10

SMEs utilised one or more of the Covid-19 supports with 39% accessing the Temporary Wage Subsidy Scheme.

DIGITAL

54%

Increase in the number of food and agribusinesses who are trading online.

Brexit

Only 48%

of SMEs believe they are prepared for Brexit with tariffs, a hard border and transport the main concerns.

OPTIMISM

Down to 55%

Optimism levels have dropped to a 3-year low; down from 74% in 2018 to 55% in 2020.

SUSTAINABILITY

34%

of food businesses see sustainable packaging as the top trend impacting their food business.

RECRUITMENT

9 out of 10

businesses intend to maintain or grow employee numbers over the next year.

SUCCESSION

Only 22%

of business owners have a clear succession plan in place.

STRATEGIC PLANNING

Only 36%

of businesses have a written down, documented and used strategic plan.

ENVIRONMENT

Managing waste and by-products, using sustainable packaging and working with environmentally conscious suppliers are the top priorities for businesses to deal with climate change.

Download the full report
www.ifac.ie/ifacreport

Contact David Leydon to receive a hard copy of the full report at **davidleydon@ifac.ie**

Time is ticking for these tax reliefs – Do they apply to you?

With Budget 2021 coming at us soon and the financial cost of Covid-19 to be met, tax reliefs could be on the chopping block.

Paddy Cowman
Senior Tax Consultant

There is no magic formula to reducing your tax bill but choosing a tax advisor who will work with you, and more importantly, know what's happening on the farm tax scene, is definitely the first step.

> Anyone can reduce tax for one year, but having a comprehensive rolling Tax Plan is key to long term planning.

This will encompass:

- Reviewing your last year's tax bill
- Projecting your current year's profit
- Projecting your profit for the coming years
- Reviewing your structure
- This will ensure all available tax credits are used by the year end and over the next few years on stock relief, income averaging, capital allowances.

Then businesses can start looking at putting succession on the agenda and other matters that need addressing.

1. Young trained farmer relief

This exemption from Stamp Duty is to encourage the transfer of farmland to a new generation of farmers with relevant qualifications. The transfer may be made by way of a gift or sale. It applies where the young trained farmer is under 35 years at date of the transfer.

2. Blood relative relief

Stamp Duty relief has been enhanced so that any transfer of farm assets between blood relatives is subject to 1% Stamp Duty instead of the new 7.5%. Age restrictions on this relief have been removed. Other conditions still remain and should be reviewed before any transfer takes place. This runs until 31 December 2020.

3. Capital expenditure VAT refund

Farmers who are not registered for VAT can get a refund on the VAT element of any invoices relating to capital expenditure, for example land improvement, yards, fencing, drainage or buildings and fixed equipment, such as milking parlours, scrapers, bulk tanks, etc. (repairs are not covered.) You can claim VAT back on items purchased in the last four years. The application must be made online via a Vat 58 return.

4. Ceasing to farm VAT refund

VAT reclaimed in the 12 months prior to ceasing is re-payable to Revenue so it is important to watch the date you cease.

5. Transfer of site to a child

A site of up to one acre and up to a value of €500,000 can be made free from Capital Gains Tax. It must be for the construction of the son/daughter's principal private residence. If the house is not built and the site is disposed of or if the house is built but not retained and occupied for at least three years, the relief can be clawed back. Beware of the value of the site as this will reduce the threshold for gift tax.

6. Help to Buy (HTB) Incentive

The HTB Incentive, a scheme for first time buyers, is extended for two more years, to end on 31 December 2021. The scheme will continue to operate as before and remains subject to the same conditions. Between now and 31 December the amount you can qualify for has increased to €30, 000.

For more information and/or advice, please contact your local office to speak to a member of our Tax team. See the back cover for all contact information

Pensions – More than just an Income Tax break?

The tax return deadline for the self-employed is approaching fast. And if history repeats itself, these next few weeks will see a marked increase in the number of farmers lodging cheques into their pension accounts.

Martin Glennon

Head of Financial Planning

The main driver for this is the income tax relief achieved on these contributions. And that is no surprise. A pension contribution that gets 20% income tax relief is equivalent to the old SSIA (i.e. adding 25% to an SSIA contribution, is the same as a 20% tax reduction on a pension contribution). If the SSIA was a good idea, then the Standard Rate tax relief on a pension is a good idea.

If some of or all your pension contribution benefits from the 40% tax rate, well that is a great idea. A no brainer really.

> But what sometimes gets lost in the rush before the deadline, are the many other fantastic benefits from contributing to your pension plan.

Income in Retirement

Pension plans are savings vehicles. During our working life we use them to store some of our earnings, which we will then use when we are no longer working. For most people, the idea of living solely on the state pension, is not ideal. So, building a fund that will subsidise the state pension, and maintain our lifestyles, makes huge sense.

Tax Free Growth

It is believed that Albert Einstein said that “compound interest is the eight wonder of the world”. And he is right, getting growth on your growth is a wonderful thing. A pension account allows you to accumulate assets and deposits, but without the eroding effects of Capital Gains Tax or DIRT.

Tax Free Lump Sum

When you are retiring, you have the option to take a portion of your fund as a tax-free lump sum. For sole traders this is to a maximum of 25% of the fund. For those with an occupation pension, they can take 25% of the fund OR an amount equal to 1½ times their final salary. In some cases, this could mean getting 100% of your fund as a tax-free lump sum.

Tax-Free Payment on Death

In the event of a death, monies held in Personal Pension, Retirement Bonds and PRSA accounts are paid to the estate without the deduction of tax. For active members of an occupational pension scheme, a lump sum of 4 times salary, plus the employee’s own contributions, are paid to the beneficiaries. Any balance in funds is used to purchase an annuity for dependents.

Succession Planning Tool

Most farmers see themselves as custodians of their land. Some or all the land was passed to them and they intend to do the same. Ifac’s 2020 Irish Farm Report however, highlighted that 84% of farmers have no definite succession plan in place. Deciding the who, when and how is difficult. But one thing we firmly believe, is that making these tough decisions will be a lot easier if farmers have financial security and a guaranteed income for life. A pension plan can provide this.

If you want to know more about the benefits described here and how they apply to your pension plans, please contact your local ifac office. See the back cover for all contact information

Turning your farm into a Limited Company

Declan McEvoy
Head of Tax

Turning farms into limited companies is a trend that has taken off over the last five or six years. One reason for this growth is the attraction of the 12.5% corporate tax rate, however tax is not the only consideration and farmers should thoroughly investigate the implications of forming a limited company to ensure it is the best structure for their circumstances.

Background

Farming is a cash hungry and capital-intensive business. Since the deregulation of the milk quota regime in 2008, dairy farmers have been able to incorporate their businesses. One advantage of incorporation is that retained profits are taxed at the lowest rate possible which means the maximum amount of after-tax income is available for loan repayments, capital investment and expansion. Milk quotas were abolished in 2015 and increased output has already surpassed the targets for 2025. Yet despite the advantages of incorporation, many farmers have not yet formed limited companies. With 2019 being a relatively good year, the question is, 'Is it too late?'

Is it too late to incorporate?

If you have not yet submitted your 2019 accounts, now is the time to look at 2019 and 2020 to date. While you will not be able to do anything about 2019, you still have time to examine your liability for 2020 and with proper tax planning it may be possible to form a company for future years.

Low rate income taxpayers

If you are in the lower income tax rate bracket, the maximum tax for a single person is approximately €7,000 or €15,000 for a married couple. Usually, for lower rate income taxpayers, it is not advisable to form a company however there may be circumstances where incorporation does make sense so it is important to discuss your specific circumstances with your farm advisor.

Company structure

The normal company structure involves land being let, licensed, or leased to the company. Stock, plant and machinery and Basic Payments are also normally brought into the company. The question then arises as to whether other assets should be transferred in. An advisor with experience of incorporation will be able to help you make the right choice for your business.

Dealing with farmers over the years, I often see obstacles put in their way due to lack of knowledge of the limited company structure.

> **Farmers are savvy businesspeople and operating a limited company does not have to be more difficult or involve much more paperwork than other forms of business.**

However, it is vital to structure the company correctly so as to avoid problems now and when exiting the company at a later stage.

One myth that crops up is that exiting the company is a tax expensive event. This is not the case once the exit is carefully planned. An important question to consider is whether you have a successor. If the answer is 'yes', then when exiting the company, you transfer the company to the successor and transfer the land separately, but at the same time. If you do not have a successor the situation is similar to where you are at the moment except that money is locked within the company.

Questions to consider include:

- What level of tax did you pay in ’16- ‘18?
- What are your depreciation/capital allowances?
- Have you invested in the farm and are the allowances increasing?
- If you have not invested, are the allowances decreasing?
- Are you paying family wages that will fall off over the next couple of years?
- What are your living expenses?
- Do you have further education costs?
- Are you hitting the high rate of tax on a large proportion of income?
- What is the ratio between profit/retained profit in a personal scenario versus a company scenario?
- Have you thought about succession?
- Are you going to farm in the present guise for the next 7-10 years?
- Are there any changes that you foresee?
- If milk prices drop by 10 cent per litre, what effect will that have on your farming profit?
- What effect will commodity prices have on your profit?
- Are you paying into a pension to save tax rather than as part of a proper retirement savings plan?
- Are you strapped for cash with loan repayments, tax payments, and living expenses?
- Does the farm need further investment that you are unable to fund?
- Are allowances on capital work finished but you are still paying the loan?
- Have you a land loan?
- Are you considering buying land?

Opportunities can exist if the farm is being wound up provided certain conditions are met. Whatever the scenario, good planning is the key to a successful exit. Depending on your answers above, and particularly if you are a higher rate income taxpayer and have taken advantage of all the available reliefs, forming a limited company may be the right choice for your business. However, it is essential to take professional advice as incorporation is not a short-term option.

Conclusion

Whilst not suitable for everyone, the limited company option can help profitable farms to retain cash, retain profit, meet loan repayments, and expand. However, careful structuring is needed to maximise allowances and minimise tax. The mantra should be to retain as much profit as possible to help expand and consolidate the business. A properly managed company will be well positioned to handle the volatility in farming over the next few years.

For more information and/or advice, please contact your local office to speak to a member of our Tax team. See the back cover for all contact information

Do you want to be the driver of your farm's future or a passenger along for the ride?

Noreen Lacey
Head of Business Development

Succession planning is essential to protect your assets, your business, and your family. It is not solely about retirement; it's about putting a long-term plan in place to help grow the farm business and achieve your vision for the farm.

How do you pass on the significant knowledge, assets and skills that you have built up over the years and be sure that your farm is ready to transition in the event of retirement, or indeed should death or illness unexpectedly strike?

There are many ways to approach the subject of succession and there is no off-the-shelf guide to follow. To help you start your journey, this checklist helps you determine where you should start and what you may require in the way of resources.

Consider starting sooner rather than later and developing a big picture plan. We recommend you include your children and their spouses as they play an important role in the lives and decision making of your family.

	Key Considerations	Resources
Retirement Plan	*Finances* • What is your total current living expenses/ drawings? • How much income do you need to support your desired lifestyle? *Lifestyle* • When do you plan to hand over management/ control the business? • Where will you live when you retire?	• Historical budgets • Break-down of current living expenses / drawings and what it includes • Lifestyle wish list
Successor Identification and Assessment	• Have you identified a successor/s? • Has he/she agreed to be so? • Are they ready for the responsibility? • Do they have the right skills, knowledge, and attitude?	• Vision for the business • Skills and knowledge for business growth • Position description
Financial Review	• Is the business viable or can it be? • Can it support the income required by the successor in addition to the owners? • Do you have a financial plan in place for the business in case you don't wake up tomorrow?	• Financial accounts • Asset and liabilities statement • Taxation overview Analysis of finances for past present and future Farm budget
Documents	• Are all the business and personal documents in a known safe place? • Are they up to date and will they achieve the desired outcomes? • Have you a Living Will in place?	• Wills • Power of Attorney/ Enduring Power of Attorney • Loan documents • Insurance documents • Company/partnership agreements • Online passwords (if appropriate) • Other legal
Stakeholders	• Identify the skills, roles of your stakeholders • Family, Key Management, Professional	• Business meeting skills • Role identification • Communication and conflict resolution • Decision making process
Contingency Plan	• Are you prepared for the 6 D's? - Death - Divorce - Disability - Disagreements - Disease - Debt	

Sound advice, independent solutions

We understand that every business has its individual needs and opportunities. Our team of experts can offer you the most comprehensive independent advice and specialist solutions tailored to fit your needs. Our key solutions are:

Taxation
Ensure that your taxes are structured as efficiently as possible by planning your affairs with one of our specialist tax advisors.

Audit and Assurance
Focus on ensuring compliance during your next audit and add value specific to your business.

Accounts
Keep track of your financial transactions and gather vital information for planning your financial future.

Specialist Advisory
Increase profits and drive growth with advice and consulting from our committed teams of highly experienced professionals.

Financial Planning
Choose from the best investment solutions available with independent advice from our financial specialists, supported by our accounting and tax teams.

Payroll
Make sure that payments are made accurately, on time, and in compliance with legislation in this critical part of your enterprise.

Food and AgriBusiness
Whether you're looking to access funding, export to new markets or seize on a new opportunity, our Food & AgriBusiness team can help you maximise your potential for growth.

Finance
Access the right finance opportunities to start, develop or expand your enterprise.

FarmPro
Our FarmPro service allows you to access your real-time accounts, budgets and forecasts anytime, anywhere.

Capital Planning
Optimise your asset ownership, succession, acquisition or divestment strategy.

Cashminder
Track your money and provide data quickly to your accountant, your farm adviser and to Teagasc eProfit Monitor.

Speak with one of our experts and see how we can help your business grow on **1800 33 44 22** or visit **www.ifac.ie**

A national team of dedicated experts.

With over 30 offices across Ireland, our clients have access to a national network of expertise across a broad range of sectors - from agribusiness and farming to wind energy and food production. Our roots within each of our communities means we have deep local understanding and knowledge.

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OUR OFFICES

Leinster

- Bluebell, Dublin 12
- Carlow, Co. Carlow
- Drogheda, Co. Louth
- Enniscorthy, Co. Wexford
- Agri Practice
Danville, Co. Kilkenny
- SME/Audit
Danville, Co. Kilkenny
- Payroll Services
Danville, Co. Kilkenny
- Mullingar, Co. Westmeath
- Portlaoise, Co. Laois
- Trim, Co. Meath
- Tullamore, Co. Offaly
- Wicklow, Co. Wicklow

Munster

- Bandon, Co. Cork
- Blarney, Co. Cork
- Cahir, Co. Tipperary
- Farm Support
Cahir, Co. Tipperary
- Dungarvan, Co. Waterford
- Ennis, Co. Clare
- Limerick City
- Mallow, Co. Cork
- Mogeely, Co. Cork
- Nenagh, Co. Tipperary
- Skibbereen, Co. Cork
- Templemore, Co. Tipperary
- Tralee, Co. Kerry

Connacht

- Athenry, Co. Galway
- Balla, Co. Mayo
- Collooney, Co. Sligo
- Roscommon, Co. Roscommon

Ulster

- Cavan, Co. Cavan
- Monaghan, Co. Monaghan
- Raphoe, Co. Donegal

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