

## MILK, PORRIDGE AND SUMMER WEDDINGS!



### FARM FACTS

Pimhill Farm, Harmer Hill, Shropshire

- 750 acre farm bought in 1923
- Organic Mixed Farm since 1949
- Organic Dairy - 250 Holsteins + followers
- Cropping - grass/silage/cereals rotation
- The first UK organic mill in 1950
- Award winning organic product ranges
- Elizabethan oak timbered wedding barn

### SOME OFFICE FACTS

- KEYPrime Accounts software
- Network version, 4 companies
- Sales order processing/Purchase order processing module

for the award winning Pimhill product range. The muesli, which was the first to be organic in the UK, is joined by oats, flour and most recently oatcakes – the latter being made with organic butter not palm oil. Ginny says: "Porridge oats are the biggest seller at 120T p.a. and they are processed for us by Morning Foods and returned in 500kg tote bags ready to pack."

The mill business, which was started in the fifties, was given a boost in 2007. Pimhill products were found by the box schemes such as Riverford and Abel and Cole who are delivering fresh produce to the customer's door. This expanding shopping concept has increased the sales of Pimhill products and encouraged Ginny to invest in new milling equipment, to re-brand and to introduce oatcakes to the range. Ginny is a fan of the distribution company A.F. Blakemore and Son, one of the largest family owned businesses in the UK, and a major distributor for SPAR. "They have a fantastic ethos and a lot of Pimhill products go out via HEART distribution, a wholesale division of Blakemore's, focussing on helping regional producers reach the retailers."

**Ginny Mayall is the third generation family member to farm at Pimhill Farm in Shropshire and she and her husband Ian Anderson are just as committed today to an organic system which has an unusual depth of history. It was started in 1949 by Ginny's innovative grandfather and father, Sam and Richard Mayall.**

The Pimhill organic dairy is the backbone of the farm and was one of the first in the UK. R Mayall & Daughter continues to shun artificial fertilisers and chemicals and has an impressive herd average of 8,300l from grass and a silage blend of home-grown grass, oats and wheat with bought in organic soya, maize and UK grown peas and beans. The soya at £600/t is the most expensive ingredient and therefore a nominal code that Ian keeps a keen eye on in his KEYPrime dairy enterprise costings.

Ian's past experience of large estate management means that he cannot wait to get the March year end accounts tied up. "We like to have them done by the end of June so that business decisions are based on accurate information. It is the most important thing," he says. "What is the point in being half way through the year before you are looking at actual figures?" Ian rates the sophisticated drill down facility in KEYPrime which allows managers to look at where figures have come from at the click of a button: "If there is a large difference between two figures at different points in time then you can look at why without moving out of one screen and into several others."

The tried and tested arable system at Pimhill is a break crop grass and cereal rotation with the winter/spring wheat and oat crops forming the basic building blocks

The diversity at Pimhill has recently been augmented by the careful restoration of an Elizabethan barn which has had an encouraging start with over 50 bookings for 2013/2014. "Four people have thought ahead to 2015," adds Ginny! The Andersons would like to save further listed buildings which surround their house, built in 1584, and it is hoped that this latest project will help to fund the conversion of a charming old Court House into wedding accommodation.

"The aim is to have a healthy spread of risk. Anything we do at Pimhill we do to the best of our ability, we monitor it carefully with the best software that we can afford and we focus on the longer term. We are much happier now that we are less milk dependent," explains Ian.



Available online at  
[www.pimhill.com](http://www.pimhill.com)

## A WEALTH OF FREE RESEARCH

### Nigel Parsons, MD of Landmark

**With the impending changes to the CAP reforms, and the likely reduction in farm support, we have positioned ourselves to be able to prepare high quality management information to compare against the benchmarks available to you.**

Changing weather patterns are replicated in the swings in our product prices from one season to the next, with some obvious correlation between them. These variations make the use of a comparison yardstick even more important.

Your bank manager's 26 column cashflow form has finally disappeared but the requirement by banks for budgets certainly has not – please read the interview with Martin Refearn from Barclays on page two! In recognition of this we continue to modify and adapt our budget preparation and reporting methods. In KEYPrime we include exporting to and from Excel, the provision of comparisons between budget years and the on-screen display of previous year's figures whilst entering the new budget.

Alongside budgeting there is some enormously valuable comparative data available to you. In the farming sector we are delighted to be working with the Farm Business Survey (FBS) team at our winter workshops. The FBS is funded by DEFRA, and carried out under the Rural Business Research banner. Farming data is individually collected and analysed by specialists from farms across England, ensuring a high level of accuracy, why not take a look at the excellent FBS online projection<sup>1</sup> tools at [www.farmbusinesssurvey.co.uk](http://www.farmbusinesssurvey.co.uk)?

In the estate sector Savills excellent benchmarking report is widely used as an industry yardstick, and we have many contributing clients. Kite Consulting provides some detailed dairy costings, and many other firms including Andersons, Dodd & Co and Hardcastle Burton provide comparative figures for their clients.

Historically as a sector, discussions have centred on the yield per acre, hectare or cow, and the price per tonne or litre. Whilst more information is available we cannot have any control over the changes to our environment, be they climatic or economic. However, we want to provide you with efficient methods of comparing with, and perhaps contributing to the benchmark surveys. In turn this will enable you to identify strengths and weaknesses on which to base sound management decisions.

# An Interview with Martin Redfearn



valuable. An appreciation of how the project and associated new borrowing affect the balance sheet should also be demonstrable through the business plan.

Much of this can be hugely assisted through agricultural business specific software, and there have been many improvements in speed, flexibility, accuracy and presentation in the last several years. However, slick presentation of poorly thought through planning is no help at all, and undermines confidence. Computers have been described as 'high speed idiots' (they do what you ask of them, regardless of consequences) your Bank Manager most certainly is not!

## How does a customer get best value from his bank manager?

Initially agree how much input you require from him/her, but never be afraid to ask for more if circumstances require it.

At the same time remember that each manager has a number of clients to look after, so last minute requests for support, while perfectly possible to handle from time to time, should be the exception not the rule. We did get an offer of finance to a customer for a substantial purchase agreed from start to finish in 45 minutes recently, for a very solid business with a sound and well-presented proposition. However we can't promise to deliver for everyone at that rate every day!

Accurate information, based on sound thinking which can be followed easily through good presentation, is the key to managers being able to deliver prompt decisions.

## What are your views on electronic banking and the role of Apps in the rural sector?

Win/Win! – Banks will increasingly use electronic systems to speed up processes and minimise bank charges, which helps the customer. We find that customers using Apps such as Barclays Mobile Banking, and PingIt (which enables instantaneous transfers of funds via any smart phone) have better control over their business and banking through having on-screen access at all times and places. While we wouldn't recommend running all your banking from the tractor seat, the facility to access information, and make decisions without having to go back to the office, can be a considerable help.

## How does IT assist with red tape in your sector?

All our lending decisions have to be based on sound evidence of debt cover and serviceability to satisfy our regulatory obligations and internal checks and balances. While there will always be a human being at our end applying experience and agricultural sector expertise to any significant proposal, sensible use of good IT undoubtedly helps. The days of the fag packet and an assumption that strong land values (for owner-occupiers) might be any substitute for good business planning, if they ever existed, are long gone!

## How can your customers justify the cost of purchasing industry specific software?

Easily. They would not buy a tractor not fit for purpose, and will rightly spend a lot of time exploring the market. What they are looking for is rarely, if ever, the least expensive solution. They require, and pay for, something that is designed to do the best possible job when they get it on to the farm. Why would they consider anything different with their business recording and planning systems?

## What tips would you give a customer when selecting accounting software for their business?

Ask around. What do friends and neighbours find works for them? What do other industry specialists find works for their customers and clients? That said, beware 'advice' to acquire systems which makes someone else's life easier rather than yours, yet at your expense!

Look not only for software which others report performs well. Some IT whiz kids can make just about anything work, but not all of us are IT wizards. Therefore look for not only flexible, user-friendly systems, but also support with on-site training and solid back-up. Take the time and trouble to get the systems set up the way you want them from day one. You wouldn't buy a new tractor and jump in it to go cultivating without taking the time to understand how to get the best out of it. Hardware and software should be no different.



Martin joined Barclays as the Regional Agricultural Specialist for East Anglia in 1995 and is now Head of Agriculture for Barclays Business. He is a well-known speaker on farm business management and related financial topics, a regular contributor to a range of agricultural journals, and is a director of two agricultural societies. In 2010 he was elected a Fellow of the Institute of Agricultural Management.

On graduating from Seale Hayne his career moved swiftly into farm business consultancy. During this time, initially with Laurence Gould and subsequently with Touche Ross and then Andersons, he gained a unique insight into factors which govern success in family owned and run farm businesses, as well as in larger agribusinesses. His hobbies include cycling, skiff rowing, hill walking, and the preparation and consumption of good food!

## What are your requirements as a bank when approached by customers requiring access to finance in the rural sector?

We need to understand their requirements and a face to face meeting is the best starting place. We like to go through the rationale for the project and how it fits with overall business and family plans. A well prepared and presented business plan, comprising forecast profit and loss accounts and cash flows, based on realistic assumptions and solid historical achievement is extremely

## Preparing for KEYPrime

Landmark's KEYPrime software has been developed to take advantage of new technology, and to operate on a range of existing and future operating systems. Over the next few years we will be encouraging our clients to upgrade to the new software and over the past year many clients have already made the move. What are the differences and how have they got on?



### Look and Feel

KEYPrime adopts a fresher look with icons across the top of the screen providing continuity with standard management packages such as MS Office. The data entry screens have been re-designed to provide single screen data entry, with the option to configure the data entry routines to suit the individual user.

The Daybook and Ledger screens can all be filtered and sorted to show exactly the data wanted, including or excluding fields of data as required by the user. This saves time in finding information and allows information to be verified and checked on-screen rather than having to run the report.

*"Our aim has been to keep the 'look and feel' of the new software very similar – ease of use has always, and will always be, high on our clients' priority list, so by keeping the menu and reporting options similar we hope to minimise the learning time".*

Mary Collis, Training & Support Director, Landmark Systems

*"I find the 'spreadsheet' layout of the data really easy to view and to check. With a farm shop we may have 40 items or more on an invoice, some VAT-able some not, and so whether looking at purchases or sales, it is much easier to check the data and iron out any discrepancies. Likewise, when checking invoices for payment, it is so easy to see their status."*

Donna Stephens  
Runcton Farm Shop



### Flexibility

Flexible accounting requirements can also be accommodated namely the ability to report to a specific date (e.g. 5th April) rather than a specific month end, and to review journals in both the existing, or new accountants', columnar format.

*"The new changes for journals and accruals/prepayments are making my job easier and save me time at month end and year end".*

Sonia Roberts, Lonsdale Estate

### Drilling Down

KEYPrime incorporates the ability to drill right down to transaction level whether ledger reporting, completing bank reconciliation or management reporting. This is a real time-saver when correcting entries, or looking for the information behind an unexpected figure in the management reports.

*"We moved over to KEYPrime as an early adopter, and KEYPrime is now everything that KEY32 is and lots, lots more. Features such as editing entries whilst reconciling the bank and exporting reports to Excel, especially when budgeting, are brilliant. It is easy to use for providing the information that both my clients and their accountants need."*

Virginia McGregor  
Robert Barr Farms

### New Modules

These include options for multi-currency and sales/purchase order processing (SOP/POP). Whilst by no means for all clients, these options allow our diversified business clients to incorporate these modules.

*"I am saving many hours each week by importing the specialist vegetable produce despatch notes into the SOP module of KEYPrime. Our average invoicing run now takes approximately one hour per week – a huge labour cost saving."*



Ros Emmerson  
JW Grant

### Property

The ability to 'drag and drop' emails or documents into the tenant or tenancy record is part of the new look and feel within the property software. Another major change is the introduction of property groups, enabling one property to be categorised in several groups if required.

*"The ability to create groups for different types of property e.g. commercial or residential, freehold or leasehold and to select by group across several landlords is really useful. The coding system within KEYPrime Property is highly adaptable enabling users to create their own codes meaning that information recorded is relevant to the business concerned."*

Anon Estate

*"Transferring from KEY32 to KEYPrime was a piece of cake and I used the opportunity to re-organise my codes. I had a ½ day introduction with James Lutener and I have hardly used the support lines. It is so user-friendly and because it is similar to KEY32 it is easy to find your way around the program."*

Vanessa Stephens  
BB Stephens & Son

### The Changeover

Upgrading to KEYPrime can be planned to be a seamless (and painless!) procedure. We are able to offer data migration options according to each client's requirements. Alternatively we can assist in re-setting up where the business structure has changed significantly since the original set-up.



All Aboard! Landmark staff head off for a Go-Karting and Archery Team Challenge

## Ditch the 'Post-it Note'



Recent press coverage has highlighted the need for communication between tenants and landlords regarding maintenance issues that can only escalate if they are not reported or acted upon. Picking the right property is number one on any list for keeping maintenance costs under control but with farms often in families for generations there is not always a purchase decision involved.

If a problem is identified acting quickly and using a trusted team of contractors is common sense but can efficiencies in the actual management of the problem save money too? We think so.

Works Manager is the latest module to be released for KEYPrime Property by Landmark. It helps to directly link a maintenance problem up and down 'the chain' from the tenant through to the person who takes the call (assignee), and on to a relevant contractor whilst informing the landlord.

### How does it work?

A call is received from Mrs Cole at Windmill Cottage to say that she has a leak in her bathroom, the details are noted in Works Manager as a logged call and a name is given in the Assignee and Contractor box - for example Andy takes the call, and Martin is the plumber. Because of the nature of the call the action is marked **urgent**.

The task has now been created against the property, tenant and tenancy and there is a choice on-screen of sending an email or a letter to Martin, whose contact details are automatically brought up from the list of contractor contacts.

So if Andy has chosen to email, a default message comes up for Martin asking him to visit Windmill Cottage ASAP stating the problem and showing Mrs Cole's contact details. Copies can be included to Andy, as the assignee, the landlord and the tenant - saving time on phone-calls and looking up contact details.

A follow up telephone call to Mrs Cole from Andy can be scheduled and will appear in the main diary, and any relevant documents can be copied or linked into KEYPrime Property.

Importantly a Works Manager Report from the diary allows a quick reference to tasks by assignee and contractor to monitor completed/uncompleted jobs within specified date ranges.

### SUMMARY OF WORKS MANAGER

- Replaces telephone messages, Post-it notes, pieces of paper
- Provides electronic trail of work progress
- Allows simple allocation of work to relevant parties
- Simplifies notification and communication with tenants



## Diversification is KEY!

As clients in the rural sector continue to diversify we often get asked "could I use my KEY Accounts for this project?" The answer is normally "YES". It just needs a little thought and planning.

Here we identify a few business types that have been set-up recently using KEY Accounts and/or KEY Property.

### Caravans

Caravans as a business normally fall into one or all of 3 categories.



**For long stay (static) caravan parks** KEYPrime Property can be set-up to replicate a normal tenancy, with a property (caravan), tenant and tenancy. In addition to the rent the service charge facility can be used to invoice add-ons such as gas, electricity etc.

**For site hire** the same method can be used, or where the client is only using KEYPrime Accounts, and not KEYPrime Property, the recurring invoice facility offers simplicity and speed.

**With storage**, there may be a flat fee invoiced for the space on a regular basis, in which case recurring invoices is ideal. Where differing 'spaces' are rented out according to size and location, KEYPrime Property can be used with each 'space' becoming a property. There is then an occupancy record for the space, and additional costs for servicing and repairs added as service charges when appropriate.

### Farm Shops

The requirement of farm shops differs greatly according to the size of the enterprise, whether product is home produced or bought in, and the range of goods stocked.



In the simplest scenario the shop till becomes a petty cash account in KEYPrime, with the income being allocated to the relevant enterprise (meat, vegetables etc). For the more complex operation the till totals can be quickly posted into KEYPrime using the daybook option, or imported into the accounts using the optional data import modules.

### Building / Project Management and Costing



It is possible to budget on analysis codes in KEYPrime so that individual jobs can be tagged easily and allocated to an individual department using enterprises.

The flexibility of reporting by both cashflow and profit & loss, as well as across financial years allows long term projects to be managed accurately, however complex.