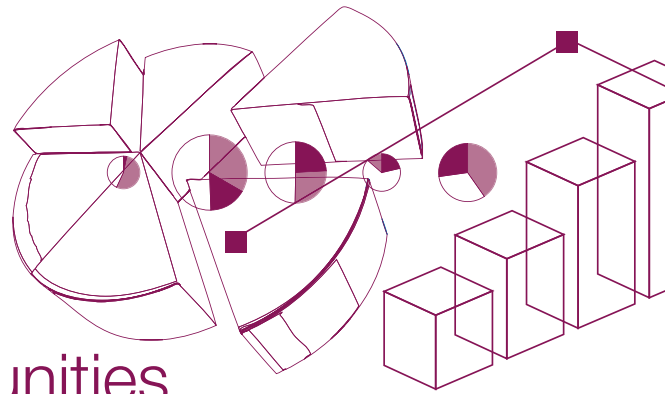




Randall & Payne

Business Advisors • Audit & Accountancy • Tax & Wealth Planning



Sun Shining on New Opportunities

Farmers today face uncertainty regarding future energy costs with average bills rising by 36% since 2005, and there is no indication of this changing in the near future; some sources suggest that bills will continue to rise at an increasing rate.

The continuing rise in energy costs, combined with being in the depths of the UK's worst recession since the 1930s, puts an ever-increasing financial burden on all businesses. There is, therefore, a large incentive to find ways to reduce costs to maintain profitability and liquidity in the future.

The Governments' new Feed-In Tariff scheme offers businesses and individuals the chance to earn money by producing their own electricity through the use of renewable energy sources, including solar power. The Government will pay up to 41.3p per kWh of electricity produced, and an additional 3p (minimum) per kWh for electricity exported back to the national grid. The Government guarantees this tariff rate to remain fixed (subject to inflationary rises) for 25 years. Most projects have a payback period of around 10 years, giving a further 15 years of income - and almost no electricity bills!

Randall & Payne LLP have teamed up with Solarsense UK Ltd, one of the UK's most experienced installers of both solar

thermal and PV systems, to help businesses and individuals take advantage of this opportunity. There is no reason for any farmer not to consider putting solar panels on their barn roof, unless the roof faces any degree of north. Even asbestos or old, fragile roofs are not impossible. Many farms can install PV under permitted development rights, but planning authorities must always be approached as per any on-farm project.

As Kerry Burns of Solarsense says: "Farmers can make a real return on investment by using the unused space on barn roofs and converting them into micro solar farms. Farmers are technologically savvy, have plenty of roof space, which is often orientated correctly, and are used to capital-heavy projects (building barns, buying tractors etc). Buying provides a better return than leasing, insulates the owner against future energy price rises and retains all rights pertaining to the barn roof for the farmer and the investment return is unequivocal."

We have developed a business plan to support a project proposal (further information on page 2) and Solarsense will provide the expertise and professional services to install the system.

For more information and useful advice on feed-in tariffs contact Tim Watkins or Chris Mattos at Randall & Payne, Stroud

Find out how to turn dead roof space into a new revenue stream...

Randall & Payne are hosting a FREE event on Thursday 10th March 2011 at Randwick Village Hall, Stroud, to explain the benefits of solar power, and how businesses can best take advantage of it. Solarsense UK Ltd will be explaining how their systems work - Randwick Village Hall and Worthy Farm, Glastonbury, are two examples.



Knowledge ■ Action ■ Results



For further information or to book a place call John Barker on 01242 548600 or email jb@randall-payne.co.uk. March 10th - 11.30am to 2pm, includes lunch.

Randall & Payne is a brand name of Randall & Payne LLP. Registered in England & Wales number: OC345710. Rodborough Court, Stroud, Gloucestershire GL5 3LR. Unless otherwise indicated we use the word partner to refer to a member of the LLP. Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk, under reference number 0002244548. A member of the ICAEW Practice Assurance Scheme.



www.Randall-Payne.co.uk

Rodborough Court, Stroud, Gloucestershire GL5 3LR 01453 763471

10 Wheatstone Court, Waterwells, Quedgeley, Gloucester GL2 2AQ 01452 723377

79 Promenade, Cheltenham, Gloucestershire GL50 1PJ 01242 548600



Solar Panel Business Plan

Randall & Payne LLP have developed a business plan specifically to support the installation of solar panels in a business, or for an individual. This business plan provides an outline of the energy market and analyses the projects' possible return.

A concise analysis of the business performance over the past few years is prepared to illustrate the affordability of solar panels and, if necessary, to present to a bank how any loan could be repaid.

The benefits are uniquely identified and discussed to include the financial benefits, tax savings, and environmental impacts.

A critical assessment is made of the net value of the project. With most projects breaking even at around the 10th year, a significant amount of future income can be generated in the remaining 15 years of guaranteed income from the Government. The business plan, which has been developed with the specialist knowledge of Solarsense UK Ltd, uses all the current information about each project, shows the potential future benefits arising from the solar panels and justifies to a bank why they should support an application for a loan.

For further information on this, or to arrange a meeting to discuss the plan, please contact James Barker on 01453 763471, or email him at jpb@randall-payne.co.uk.



Cutting Red Tape for New Build

A recent court case has provided some clarification concerning the controversial Prior Notification planning scheme, which was intended to make it easier for farmers to gain approval to construct small farm buildings. Some farmers had complained that the scheme actually made things more complicated, and the recent verdict seems to vindicate their viewpoint.

The scheme requires farmers to submit notification to their local authority planning department of their intent to construct buildings of up to 465 sq m under 'permitted development'. Notification would typically be submitted with a site plan, a written description of the building and the materials to be used. Permitted development proposals must be 'reasonably necessary for the purposes of agriculture within that unit'. The local authority then has 28 days to decide whether or not it needs to see details of design and location in order to grant approval.

However, in many cases local authorities have taken longer than 28 days, with confusion arising over requests for further information and the date on which the 28-day period began. In some cases local authorities were treating prior approval applications as full planning applications.

The case brought by farmer Mr Murrell, with assistance from the National Farmers Union (NFU), against the Secretary of State for Communities and Local Government and Broadland District Council could make it easier for farmers to gain prior approval in future. The court found that local authorities should be concerned with the siting, design and appearance of the building, but not the principle, allowing them to process applications quicker and with fewer complications. The NFU has produced a Prior Notification briefing, which is available to its members.

For more: <http://snipurl.com/1si19f>

Start-up for Stewardship Scheme

Farmers who applied to join Natural England's High Level Stewardship (HLS) scheme prior to the Coalition Government's Comprehensive Spending Review (CSR) are to be given start dates for their agreements.

The HLS scheme provides financial incentive to farmers, land owners and tenants in England to manage and maintain the local countryside.

The scheme is managed by Natural England. The Government's independent adviser for the natural environment is in the process of contacting farmers to give them their start dates, with the majority expected before the end of the current financial year in April 2011.

A temporary freeze was placed on HLS applications in October 2010, while budgetary measures were assessed as

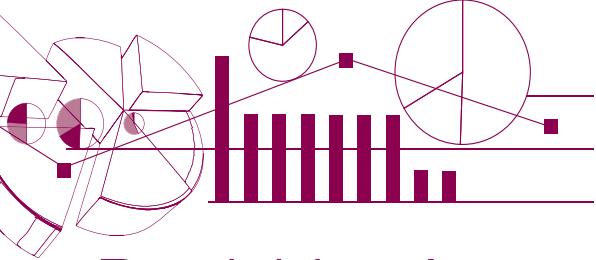
part of the CSR. The Government has announced changes to the HLS to make it more effective. The changes are increasing focus on protecting wildlife, reducing water pollution, putting a cap on spending on farm building and changing the way applicants are paid. Natural England will work with applicants to ensure the new agreements incorporate the changes.

Jim Smyllie, executive director of Natural England, explained: "The processing of HLS applications was understandably affected by the changes in the budget

announced in recent weeks. We look forward to working in partnership with farmers to turning their applications into high quality agreements."

No decision has been made on the future of HLS agreements, but Natural England and the Department for Environment, Food and Rural Affairs (DEFRA) are working together to confirm the number of new HLS agreements that will be funded in the future.

For more information on HLS go to: <http://snipurl.com/1si2sj>



Pesticides Amnesty Begins in New Year

A pesticides amnesty which will allow farmers and other agricultural businesses to dispose of unwanted, out of date or revoked pesticides and biocides was launched on 3 January 2011. The amnesty is part of a project known as Security in the Operational Environment (SOE), an initiative to improve security within agricultural working places.

The amnesty will last until 14 March 2011 and anyone wishing to take part must pay a £20 registration fee. Early registration is recommended. More at <http://snipurl.com/1shz00>

Agricultural Product Quality Schemes Regulation Proposed

The European Commission (EC) has launched a proposal for an Agricultural Product Quality Schemes Regulation, which will aim to simplify and streamline a range of existing European Union (EU) quality schemes. The schemes help producers to promote their produce and register it as local or regional. The proposal is part of a wider package to help support the quality of agricultural products in the EU. Go to: <http://snipurl.com/1shz1e>

Poor State of Affairs

A report commissioned by the Commission for Rural Communities (CRC), published in November 2010, found that a quarter of farming households are living below the poverty line and receive little support from the welfare state or from agricultural organisations.

The CRC report highlights what are considered to be the root causes of the problem and sets out what the Government needs to do to tackle poverty among farming communities.

The proposed measures include:

- Improving access to welfare benefits for farmers, including the take-up of income-related benefits to eligible farming households.
- Encouraging skills development in farming communities.
- Ensuring farming communities have access to appropriate business and financial support, including the expansion of the Business Link online service for farmers to include telephone and face-to-face specialist farm business advice.
- Encouraging the new Local Enterprise Partnerships (LEPs) to address the long-term economic development of England's agricultural sector.

Auctioneer Plans to Allow Live Internet Bidding

Halls, the auctioneer, is to introduce live Internet bidding at plant and agricultural machinery auctions in 2011. Auctions for this type of stock already attract interest from Eastern Europe and New Zealand. Halls claim the move will make buying at auction convenient for many customers. More at <http://snipurl.com/1shz9g>

Farmers turning to Twitter

An increasing number of farmers are using Twitter as a business tool as it enables them to keep up to date with government announcements, industry news and to promote themselves online.

Twitter also allows farmers to network with each other and is being increasingly used as a support network to gain advice and best practice in the industry. You can also follow us @RandallPayne.



Dr Stuart Burgess, chairman of the CRC, commented: "While many farmers have proved to be highly entrepreneurial, some do not have the skills or opportunity to diversify into new businesses. Tenant farmers can experience specific barriers to business development due to the fact that they do not own the land that they farm."

According to statistics compiled by the CRC, over the last three years a quarter of farming households have had an annual income below £20,000 and in the majority of cases this has been obtained from capitalising on their business assets rather than from farm profit.

The CRC report, 'Poverty amongst farming households: Achieving sustainable livelihoods', can be downloaded at: <http://snipurl.com/1si25n>

Are you claiming the tax credits to which you are entitled? Our tax credit team could help you to claim now or to register your details so that you are entitled to payments in the future should your circumstances change.

Improve Environment, Improve Profits

Reducing greenhouse gas emissions can help beef and lamb producers improve their returns, according to a new report compiled by the English Beef and Lamb Executive (Eblex).

The report, 'Testing the Water', presents an overview of the industry's water usage footprint, outlines a roadmap for improving the sustainability of beef and lamb farming, and highlights some key areas for improvement. According to the report, beef producers can increase their profit margin by up to 50p per kilo, and sheep farmers can increase their margin by 28p per kilo.

Around 2.9 million cattle and 16.7 million sheep are slaughtered in the UK each year to supply more than 1.1 million tonnes of meat. According to Eblex, beef production currently generates around 13.9kg of CO2 equivalent greenhouse gas emissions and consumes more than 31MJ of primary energy per kilo. Lamb generates 14.6kg of CO2 equivalent emissions and consumes 22MJ of energy per kilo produced.

The UK's Low Carbon Transition plan requires a national reduction in greenhouse gas emissions of 18% based on 2008 levels. Farmers have a key part to play in this reduction, and are required to cut emissions to a level that is at least 11% lower than current estimates by 2020.

Steps the report recommends include reducing water consumption, reducing effluent production and reducing energy consumption via system and management improvements. For example, implementing switch-off programmes, improving insulation, recovering waste heat from effluent and using more efficient equipment are all accepted as ways to reduce greenhouse gas emissions. The report concludes that improvements in environmental performance can go hand-in-hand with improvements in financial performance. To read the report, go to: <http://snipurl.com/1si1tw> To read more on the EU Council Directive go to: <http://snipurl.com/y7bs9>



www.Randall-Payne.co.uk

Rodborough Court, Stroud, Gloucestershire GL5 3LR 01453 763471

10 Wheatstone Court, Waterwells, Quedgeley, Gloucester GL2 2AQ 01452 723377

79 Promenade, Cheltenham, Gloucestershire GL50 1PJ 01242 548600

Randall & Payne is a brand name of Randall & Payne LLP. Registered in England & Wales number: OC345710. Rodborough Court, Stroud, Gloucestershire GL5 3LR. Unless otherwise indicated we use the word partner to refer to a member of the LLP. Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. A member of the ICAEW Practice Assurance Scheme.

Government outlines planning rule changes

The Government has outlined measures which will provide local people with the opportunity to overrule planning decisions taken by their local authorities.

The move is expected to provide businesses with a say in how any additional levies imposed by their local authority should be spent. However, the Country Land and Business Association has said it is concerned that the suggested changes and confusion between "localism and providing investor certainty" could lead to communities making decisions without considering longterm sustainability.

Go to: <http://snipurl.com/1shz2l>, <http://snipurl.com/1shz3y>



Our Experts

We have a wide range of experience in all aspects of agricultural business.

We assist clients with their accounts, business development, wealth and tax planning.

For further information, please contact Tim or Chris on: 01453 763471:



Tim Watkins



Chris Mattos

