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Ref: DC/WLP

30th October 2020

Ballykilmurry, Ardmore, Co. Waterford

Mr. Don Tuohy,
Chief Officer of the Waterford Local Community Development Committee,
Waterford City and County Council,
Civil Offices,
Dungarvan,
Co. Waterford.

RE: Appeal by the applicant and promoter to a funding decision by the LAG.
REF: 31LDRWAT112556.

Dear Sirs,

Enclosed please find application for appeal for the proposed development at Ardmore Open Farm & Mini Zoo and Glamping Pods. If you require further information please contact the promoters.

I trust the above is to your satisfaction.

Yours faithfully,



DENIS COLLINS

11/3/2020

	Section1	
1.1	LAG Name	Waterford LCDC
1.2	Implementing Partner name	Waterford Leader Partnership CLG
1.3	Project name	Ardmore Open Farm & Glamping Pods
1.4	Project number	31LDRWAT112556
1.5	Promoter name	Ardmore Open Farm Ltd.
1.6	Promoter number	3169
1.7	Project Theme	L.O. 1
1.8	Project Sub-theme	SA 1.4
1.9	Promoter name	Ardmore Open Farm Ltd.
1.10	Promoter address	Ballykilmurry, Ardmore, Co. Waterford
1.11	Date of receipt of application for funding	28 th August 2020
1.12	Date of Evaluation Committee	21 st September 2020
1.13	Evaluation Committee Recommendation	25% of total project cost
1.14	Date of LAG meeting	8 th October 2020
1.15	LAG Recommendation	Approved project for funding. Recommended 25%
1.16	Date contract signed and returned by Promoter	Unsigned due to appeal.
1.17	Rate of Grant Aid approved %	25%
1.18	Value of Project €	€395,484.42 plus V.A.T.
1.19	Value of Project Aid for Project €	€98,871.10
1.20	Date(s) of Inspection(s) / Audit(s)	16 th October 2020 (pre letter of offer site inspection)
1.21	Date(s) LAG notified of Regional Inspectors Appeal decision	N/a
	Section 2	
2.1	Synopsis of Project (Summary describing what the Project is about and what it entails)	The aim of the project is to enhance and expand the existing facilities at Ardmore Open Farm & Mini Zoo and Ardmore Glamping Pods. We propose to add three further glamping pods and a log cabin recreational building. We propose to upgrade the existing sewerage treatment system. We propose to extend the public walkway and create additional animal display areas. We propose to resurface the existing public walkways. We propose to replace the existing fencing with new robust, secure fencing on the roadside perimeter and in the new animal display paddocks. These new proposals and modifications came at a total cost of c. €400,000 plus V.A.T. and are vital for the continued growth and survival of the facility.
	Section 3	
3.1	Is this a Pre-payment or Post-payment Appeal	n/a
3.2	State issue(s) being appealed	Deadweight

	Section 4 – Grounds of Appeal	
4.1	Where relevant the Section(s) of the Operation Rules and or Circulars that are pertinent to the Appeal must be quoted – the relevant text must be copied and the Section(s) and Sub-section(s) quoted.	LEADER Operating Rules RD 2014-2020 6.3 Eligibility of the beneficiary <i>Deadweight</i> <i>LAG's must not grant aid projects that are capable or proceeding without LEADER funding (i.e. where 'deadweight' would apply). The analysis of deadweight is an integral part of the evaluation process. It must be considered by the LAG in all applications. Moreover, applications must be accompanied by a declaration by the promoter that the project is not capable of proceeding without LEADER funding. The declaration does not obviate the need for the LAG to examine deadweight and determine where the project could proceed without Programme funding. The rationale underpinning the assessment of deadweight must be recorded in the LAG and Evaluation Committee minutes.</i>
4.2	Where relevant the Section(s) of the EU Regulations that are pertinent to the Appeal must be quoted – the relevant text must be copied and the Section(s) and Sub-section(s) quoted.	LEADER Operating Rules RD 2014-2020 6.3 Eligibility of the beneficiary
4.3	The relevant Sections and page numbers of the Project File that are pertinent to the Appeal must be listed.	N/a
4.4	Any further information that you believe may be pertinent to your Appeal should be supplied with your Appeal	See attached.

Signed:  _____

Date: 29-10-20

Name of Beneficiary

30th October 2020



Ballykilmurry, Ardmore, Co. Waterford

Proposal for Phase 3 Development at Ardmore Open Farm and Mini Zoo and Ardmore Glamping Pods

APPEAL

This appeal is against the decision by Waterford Leader Partnership to limit the grant for development at Ardmore Open Farm and Mini Zoo and Ardmore Glamping Pods to 25% of the relevant capital expenditure.

The promoters of Ardmore Open Farm and Mini Zoo and Glamping Pods decided to apply for a 47.5% Capital grant under the Rural Development 2014 – 2020 Leader Scheme to upgrade and expand their enterprises at Ballykilmurry, Ardmore, Co. Waterford.

A total of €395,684.42 could only be justified on the basis of 47.5% grant assistance.

The proposed reduction in the level of grant from 47.5% to 25% will mean that the project cannot now proceed.

Reason for Grant Reduction

The stated reasons for the grant reduction are “deadweight” or the perception that sufficient amounts of capital are available within the business to fund the development.

Project Funding

The promoters have been advised by their bankers that the company has limited borrowing facilities because of its low level of profitability, high levels of both Ardmore Open Farm and Farm Business Advisers Ltd. liabilities and the limited security it can provide. This situation has now further deteriorated because of the severe limits imposed on the attendances at the facility

as a result of Covid-19. Accordingly, the proposed Phase 3 development cannot be funded by borrowing.

Farm Business Advisers Ltd. is the parent company which has already provided a large proportion of the funding for Ardmore Open Farm & Mini Zoo and Ardmore Glamping Pods. In early 2019, the promoters purchased a small extra area of land to improve the facilities of the Open Farm at Ardmore to improve the facilities of the Open Farm on which farm buildings / stables were planned, and funds were committed to these projects in anticipation of a full Leader grant for the herein project. The capital budget for these other developments in 2019 / 2020 which are not being grant aided was €180,000. These additions will also provide some wintering facilities for the Open Farm & Mini Zoo animals. The medium term aim of the promoters is to fully incorporate these facilities into the Open Farm and Mini Zoo by establishing a pony riding centre and other animal related activities with a view to enhancing the overall entertainment at the Open Farm.

As has already been disclosed to Leader, Farm Business Advisers Ltd. is not presently planning to press for payment of its major liabilities (€1,205,530) to it, but in these uncertain times that are now emerging, it is entirely possible that it cannot sustain this position. The principals are not prepared to put the other enterprises of Farm Business Advisers Ltd. at major risk, by proceeding with this proposed Phase 3 development without the full Leader grant.

The parent company already has a substantial level of creditors, a large proportion of which is falling due within a one-year period. Furthermore, it now has an outstanding additional liability of €135,000 incurred by the purchase of a property which was required to expand the student rental properties. This purchase was made prior to and in anticipation of the full Leader grant of 47.5% and prior to the Covid-19 restrictions.

It is pointed out that the available funds indicated by Farm Business Advisers accounts may be somewhat misleading. The promoters make the following points:

1. The income of the entire business of both Farm Business Advisers Ltd and Ardmore Open Farm & Mini Zoo and Ardmore Glamping Pods is now seriously threatened by the current Covid-19 restrictions.
2. Total turnover for 2020 at the Open Farm is estimated to be reduced by c. 40%. In recent months Covid restrictions have already given rise to significantly less than expected attendances, while the operating costs have greatly increased. At the time of this appeal the facility at Ardmore has again been forced to close by Government restrictions.
3. Due to the cancellation of on-campus college learning, the rent roll from college rental properties, in the vicinity of U.C.C., owned by Farm Business Advisers Ltd. which has

been a major source of funds will be reduced significantly, and is in danger of complete collapse as the year progresses. This situation is likely to continue into 2021 and maybe beyond.

4. The income from the Open Farm during the non-peak winter months is very dependent on the Christmas Winter Wonderland. Over 4000 persons attended that Christmas event in 2019 which ran from the end of November until 23rd December, generating a gross income stream of c. €75,000. Due to current Government restrictions it is likely that this year's Winter Wonderland will now have to be abandoned.
5. Substantial expenditure in capital items, which does not quantify for grant, were part of the total budget for this project. A provisional estimate of these non-grant items amounts to €45,000 to include County Council contributions, Engineer's fees, fire and disability access certification, application for a waste discharge licence, website / booking system design, acquiring new exotic animals and tractor upgrade and replacement. These additional costs are on top of the indicated overall project cost of €395,484 excluding V.A.T.
6. In the F.B.A. accounts for the year ending 31/12/19 the level of creditors is already excessive at €659,620. Of these creditors, €398,480 fall due for payment within 1 year.
7. At the time of application (August 2020) cash reserves within the business were temporarily high, mainly due to the sale of properties during the years 2018 / 2019. At the time of this appeal, cash reserves within Farm Business Advisers Ltd.'s accounts have reduced from c. €660,000 to a current balance of c. €430,000. This balance is due to reduce further in the coming months by an estimated €235,000 due to scheduled repayments and ongoing property renovations. The residual balance was initially earmarked to cover the 52.5% financial contribution to the project required by Ardmore Open Farm Ltd. / Farm Business Advisers Ltd., on the expectation of matching funding from Waterford Leader Partnership.

Since opening in 2013 the viability and profitability of the enterprise has been limited by the relatively small scale of the operations, combined with relatively high overhead costs. The phase 2 grants for the initial development of the glamping facilities enabled a successful expansion, and greatly aided the running of the entire project. This was the main justification for the proposed Phase 3 development. The major portion of the capital expenditure, (Net of Vat) was to have been €170,586 on increased Glamping Pods, a log cabin recreational building (an all-weather pavilion) and additional security / animal fencing. Having gone through a difficult 7-year period this expansion was aimed at enabling the entire operation at Ballykilmurry to remain viable, on a stronger financial and physical footing.

Employment

The average level of employment at the present level of operations has been as follows:

Full-Time Staff: 4

Part-Time / Seasonal staff employees: 14

Phase 3 development was budgeting on an increase in employment as follows:

Part Time / Seasonal staff employees: 8

We believe this additional employment would have been a major benefit to Ardmore and its environs.

Extension of Season

The promoters strongly believe that a project such as this would have had a major impact on extending the tourism season in Ardmore. With foreign travel currently curtailed for the foreseeable future, the addition of newer, larger pods with capacity to accommodate a further 18 – 20 persons would greatly contribute to the need for suitable family accommodation in the area.

The further expansion and development of the Ardmore facility, particularly the addition of an all-weather log cabin and the extra pods would have enabled the extension of the operations during both the slack Autumn and Spring shoulder months and Christmas periods, as inclement weather conditions could have been cushioned, leading to greater attendances during these slack periods. Furthermore, these facilities would have provided improved accommodation and entertainment throughout the full year.

School Tours

School tours, during the months of May and June each year are a major feature of the events and income at Ardmore. The experience with such tours had been that all weather facilities are particularly essential since school children are unable to enjoy their tours during unfavourable weather days which can be expected during approx. 30% of the visits. Each year there has been disappointments on the part of children, parents and teachers when inclement weather has impact severely on these tours.

Summary

We have now taken confidential professional advice on the current status of the entire Ardmore Open Farm and Mini Zoo enterprise. While the advice has been that it is on a reasonably sound footing, the prevailing threats, particularly those related to Covid-19, present a major risk and

capital expenditure of €395,000 would be ill-advised, unless strongly supported by capital grants.

We are still keen to expand the business to secure its medium to long-term viability. We are prepared to take the additional risk, up to a realistic level. Our Accountants / Financial advisors are advising that the full Leader grant for the herein project will be essential to keep the overall risk at a manageable level. Accordingly, in the absence of securing such grants, the project, will not be proceeding.

We wish to thank you for your financial assistance in the past and look forward to your favourable reconsideration for full Leader grant for the herein project.

Signed:



BRIDGET COLLINS
PROMOTER

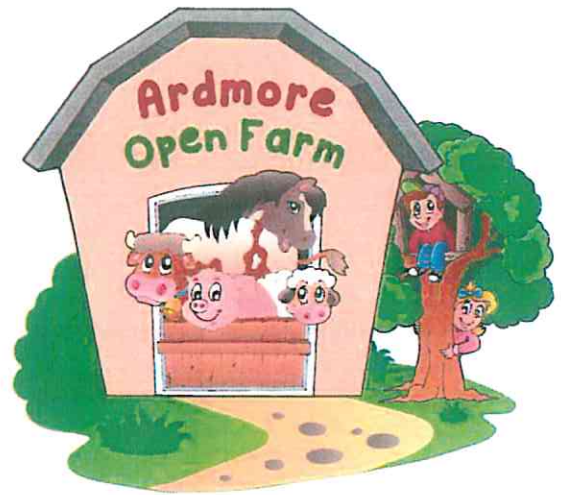


DENIS COLLINS
PROMOTER

Ref: DC/WLP

19th November 2020

Mr. Don Tuohy,
Chief Officer of the Waterford Local
Community Development Committee,
Waterford City and County Council,
Civil Offices,
Dungarvan,
Co. Waterford.



Ballykilmurry, Ardmore, Co. Waterford

RE: *Appeal by the applicant and promoter to a funding decision by the LAG.*

REF: 31LDRWAT112556.

Dear Mr. Tuohy,

In common with Dublin Zoo and Fota Wildlife Park, Ardmore Open Farm & Mini Zoo has suffered substantial revenue losses as a result of Covid-19. Unfortunately we are not in a position to appeal to the public for donations to support the farm and mini zoo during this difficult period.

Funds provided in 2017 by Waterford Leader Partnership for the construction of additional features, particularly for six (6) glamping pods and a log cabin, have been crucial in enabling the viability of our Open Farm and Mini Zoo at Ardmore.

The latest application (and appeal) for further grants to expand the glamping facility, construct an indoor all weather log cabin, upgrade the sewerage system and surface the internal roadways is aimed at improving the future viability of the operations at Ardmore.

Approval of the full level of grant (47.5%) as set out in the formal appeal will enable the immediate investment in the stated facilities and indeed substantial additional non-grant aided investments.

We look forward to a favourable outcome of the appeal at an early date.

Signed:

BRIDGET COLLINS
PROMOTER

DENIS COLLINS
PROMOTER

