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Dear Lyndsey

Re - Torriad Farm, Bowling Bank, Wrexham, LL13 9RT

I write with regard to the planning queries below in red, and my answers are given below each one;

Validity

Q. I am still unclear as to the relationship between the business and the wider parent company. The additional statement suggests Mr Andrew Jones will live in the proposed dwelling and that he lives in Rossett. However, the company details has him living at Yew Tree Farm. The statement suggest that Yew Tree Farm is occupied by the manager of that enterprise. That being the case, who is that manager? The addresses of where the current workforce reside would need to be confirmed.

A. Hoseley Farms is a family business, with owned sites at Hoseley Bank Farm, Gresford, LL12 8YD, Yew Tree Farm, Burton, LL12 0HT, and the recently purchased Torriad Farm, Bowling Bank, LL13 9RT. In addition there is a rented dairy farm at Crewe Hall, CH3 6PD. Andrew Jones currently lives at Yew Tree Farm where the youngstock of both the dairy herds are housed, but he currently commutes to Torriad Farm where he works 100% of the time. Torriad Farm is a separate enterprise, but still within the Hoseley Farms business, with dairying being the only focus, with a separate herd of cows and a separate land area.

The herd of 370 cows at Torriad Farm calve all the year around, and hence on average there is 1 calving per day. Many cows need assisted calvings, and with no one currently living on site, this is obviously not good practice from an animal welfare point of view. Furthermore, any sick cows and youngstock require treatment through day and sometimes nights, so having someone on site 24/7 is important from this angle too. Finally, security is a consideration, not only for machinery and livestock, but also, as Torriad is a dairy farm, milk is stored in a refrigerated tank before being collected in by a tanker lorry, so having someone on site for food protection is also important.

Q. Furthermore, I am not certain that this doesn't result in farm fragmentation. I question whether the establishment of Torriad Farm would leave the other enterprises owned by the business financially viable?

A. Hoseley Farms size and scale has not reduced since the setting up of Torriad Farm, as the additional farm has been an addition, and hence the trading scale of the existing business has not changed either. The Hoseley accounts previously submitted showed that the business had a turnover of £3.8 - £4.1 m and makes profits of between £270 - £500 k/year, without Torriad Farm. The draft accounts (attached) from the Xero financial package for 2021-22 show Hoseley Farms had a turnover of £4.1 m and made a profit of £332k. This therefore shows there has been no fragmentation and no financial detriment to Hoseley Farm's business performance.

Q. Permanent Dwelling Test

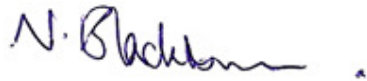
We have not been provided with details about anticipated future profits. TAN6 requires evidence that the enterprise will be viable for 5 years. Whilst an enterprise of this size has a fair chance of being profitable, TAN6 cannot be satisfied at this stage, given that this is a newly established enterprise.

A. Budgets were previously provided for a 1 year period for Apr-22 to Mar 23. I have now increased the length of the budgets to 5 years, which are attached. This shows pre-tax profits forecast consistently around £150k/ year, and after tax/loan/HP repayments would be cash positive by around £40-50k/yr. This surplus is required for further investments to keep the farm up to standards and contingencies, as farming does not always go to plan, as factors such as the weather play their part. Given the scale of the investment made, this is actually quite a modest return on investment.

Q. In addition, as far as I can see, it has not been demonstrated that the business could sustain the cost of the dwelling. You need to identify the costs of the dwelling itself and demonstrate the construction and/ or mortgage costs can be met. We would also need to be satisfied that they couldn't service the costs of another property nearby as well.

A. I have now included the build cost in the budgets for the year 2023-24, with an estimate cost of £300,000. This is higher than originally anticipated, due to building material and labour cost inflation, and to allow a degree of contingency into the build cost. This is shown on an interest only mortgage through the build period, which is normal for self build projects. For 2024-25 onwards, I have shown repayment of this loan over 25 years. The budgets show the business would still be cash positive by around £40k - £50k/year, and therefore full viability would be easily achieved, with contingency built in, which is necessary for farming businesses, for the reasons already stated.

Your sincerely

A handwritten signature in blue ink, appearing to read 'N. Blackburn', followed by a small dot.

Neil Blackburn, Managing Partner, 07980 917555