



Lavin issues proceedings against Cullen over Muckcross home

Businesswoman claims financial support was on condition of sale of Killgey House

Glencullen denies money was advanced as part of a deal to sell property to Lavin

AODHAN O'FAOLAIN

Businesswoman Jackie Lavin is suing her long-time partner Bill Cullen and one of his companies over failure to complete an alleged €1 million deal for the sale of Killgey House in Co Kerry to her.

Ms Lavin, of Osberstown House, Naas, Co Kildare, has brought proceedings against Glencullen Properties Ltd and Mr Cullen, also of Osberstown House. He is a director of the firm and its sole shareholder.

In 2012, Ulster Bank appointed accountancy firm Kavanagh Fennell as receivers over the company's assets, including Kill-

gey House, Muckcross, Killarney.

Ms Lavin, represented by Patrick Leonard SC, claims she has been a long-time resident of that property and considers it her home.

Employed

She said she had been employed by Glencullen in a management capacity and Ulster Bank in 1999 created a charge over Glencullen's assets, including Killgey House.

The company had, in 2009, sought additional credit facilities from Ulster Bank to allow it continue to trade during the downturn but the bank was un-

willing to do this unless €1 million was invested in the company, she claims.

Following the sale of a property owned by the couple in Florida for \$7.25 million (€6.7 million), Ms Lavin claims she agreed to advance Mr Cullen €1 million so he could pay down Glencullen's liabilities. As part of the arrangement, Killgey House was to be sold to her.

While she paid some €757,000 to the company, it has failed to complete the sale of the property to her and she has suffered loss and damage as a result, she claims.

After the company was put in receivership, it secured an order from the Residential Tenancies Board requiring her to leave Killgey House, she claims. In her action, she wants orders requiring sale of Killgey House to her and prohibiting the defendants entering into any contract to sell it to anyone else.

Glencullen, represented by Bernard Dunleavy SC, denies the claims while Mr Cullen, the

court heard, has not delivered a defence to the proceedings.

In its defence, the company accepts Ms Lavin agreed to advance Mr Cullen €1 million so he could loan Glencullen funds to reduce its liabilities but denies the money was advanced as part of an agreement to sell Killgey House to her. It claims it never agreed to sell the premises to her and there is no contract of sale between the parties.

Enforcement

At no time before May 2013 had Ms Lavin mentioned any agreement involving her buying the property from Glencullen, it contends.

The company claims Ms Lavin has failed to comply with the order requiring her to leave Killgey House and says it has brought enforcement proceedings before the Circuit Court.

After advancing the loan to Mr Cullen in late 2010, Ms Lavin signed a statutory declaration she did not hold any inter-

est right or title to any assets of Glencullen, it claims. The declaration, sought by Ulster Bank, was signed after she had received independent legal advice, it alleges. Due to an "oversight", Killgey House was not listed in documents, it claims.

Ms Lavin accepts she signed a waiver as part of the arrangement after getting legal advice it was not in her interests to do so but says she intended the waiver because otherwise the bank would cut Glencullen off from access to further credit.

The case was mentioned before Mr Justice Tony O'Connor at the High Court yesterday in relation to discovery of documents from Ulster Bank which Ms Lavin says are relevant to her claim. The case was adjourned for mention to late this month.

Jackie Lavin is taking action against Glencullen Properties Ltd and Bill Cullen.
PHOTOGRAPH: AIDAN CRAWLEY

Business comment

Cantillon

A €23 million question hangs over INM

The boardroom row at Independent News & Media over a proposed bid last year for Denis O'Brien's Newstalk keeps rumbling on. And on . . . and on.

Chief executive Robert Pitt, who fell out with INM's chairman, Leslie Buckley (pictured), appears to be in it for the long haul. Protected under whistleblower legislation, he seems content to sit tight, confounding earlier expectations that he would leave after a negotiated settlement.

One thing we haven't had confirmation of yet is the precise gulf between the two competing valuations for Newstalk, a significant but loss-making radio operation that would fit awkwardly within INM's acquisitions strategy, whose proposed purchase was the catalyst for the current rift. It is now understood by this newspaper that the valuation being sought by the Newstalk side came in at between €34 million and €37 million. That seems like an extraordinary sum for a loss-making radio station, no matter what way you swing a bat at it.

The Davy corporate finance valuation of Newstalk that was commissioned by INM's executive team was, it is under-

stood, between €11 million and €14 million. That suggests a gulf of approximately €23 million. That is more than a quarter of INM's current cash pile. Last year when the row first broke out, it would have been only a little under half of the cash pile.

After Pitt made his first disclosure on the matter to the senior independent director, the subcommittee that was formed by the board reported back that "no issue of concern arose". This appeared still to be the position on November 28th when INM issued its first statement on the matter. Yet weeks later, a senior counsel and a corporate governance expert were appointed to lead an external inquiry. Perhaps the board had reason to believe the disgruntled chief executive would go elsewhere for renewed scrutiny of the situation, and this helped concentrate minds.

The Office of the Director of Corporate Enforcement is now examining the complaints of Pitt and another executive.

Given the generally slow pace of probes by the already-stretched State corporate watchdog, a denouement to this extraordinary story could yet be a long way off.



Reality bites as Luckey leaves Facebook

The fresh face of virtual reality, Palmer Luckey, the man behind the Oculus Rift, has parted ways with Facebook, just over two years after the social media company snapped up his business.

The 24-year-old tech entrepreneur originally teamed up with Brendan Iribe and raised \$2.4 million through crowdfunding platform Kickstarter to make the Oculus Rift. The deal with Facebook boosted his net worth to more than \$500 million – not a bad for your early 20s.

Perhaps the writing was on the wall. Luckey had been an increasingly rare figure at Facebook events after claims that he had donated \$10,000 to a pro-Trump group, Nimble America, that was creating and distributing anti-Hillary Clinton memes in the run up to the US election.

With Silicon Valley an overwhelmingly

Democrat enclave, the actions were bound to be viewed harshly. There were reports of companies saying they wouldn't work with Oculus as a result, and female Facebook employees resigning in the wake of the claims. Luckey kept a low profile. The Oculus developer conference in October seemed to be a Luckey-free zone and, when the company had a reshuffle in December with Iribe stepping down as chief executive, Luckey's name wasn't thrown into the mix.

Facebook has also found itself embroiled in a legal action over claims that Oculus stole the technology on which it based its product. The lawsuit filed by Zenimax has cost Facebook millions. The last time Luckey represented Facebook in public was to testify in the trial. Perhaps it wasn't such a Luckey break after all.

Call for new spatial strategy

MARK PAUL
Business Affairs Correspondent

Ireland needs to "ditch our car-dependent suburbia model" of development and devise a new spatial strategy to take the pressure off Dublin, the former secretary general of the Department of Finance, John Moran, says.

Mr Moran, who now is now a business consultant, told the conference of the Society of Chartered Surveyors Ireland (SCSI) at Carton House yesterday that the State does "not do planning for the future well".

He said a new spatial development strategy is needed to promote the development of higher-density "globally-connected, regionally distributed cities with a local feel", which he dubbed "glocal" cities.

"Remember, people want more and more to be able to walk or take efficient and comfortable public transport to their work, the shop, the cinema, to sport and to the crèche. We should encourage this. It is good for the environment and for the rural Ireland we love so much," he said.

This regional development is needed so that "pressure [can] be alleviated on Dublin's infrastructure to give it time to roll back the worst impacts of bad planning decisions in the past without preventing continued growth".

Attractive

Mr Moran argued that urban spaces need to be made more attractive so that people "turn their backs" on car-dependent suburban lives.

He also argued that urban spaces drive innovation and economic growth more successfully than rural areas.

To achieve a better regional spread, he called for greater transport options and connectivity between cities.

He also suggested that planners should seek to build a counterbalance to Dublin's power along the western seaboard.

Agriculture in Ireland found to be the least climate-efficient in Europe

State has highest greenhouse gas emissions per euro of output, says EU study

EOIN BURKE-KENNEDY

Irish agriculture is the least climate-efficient in Europe, according to a EU study which is likely to trigger further debate over the sustainability of Ireland's agricultural ambitions.

The research, commissioned by the European Parliament, found that Ireland had the highest level of greenhouse gas emissions per euro of agricultural output of 28 member states.

The finding reflects Ireland's primary focus on more carbon intensive beef and dairy systems, which contrasts with oth-

er countries where forestry, vegetables and grains account for a larger share of activity.

The Department of Agriculture has previously highlighted that emissions per unit of output in Ireland's dairy sector were one of the lowest in Europe, while beef emissions were also below average. However, the EU's study, which uses emissions and output data relating to the 2012-14 period, examines emissions from agricultural output as a whole.

A spokesman for the Department of Agriculture said: "While greenhouse gas produc-

tivity per euro is a widely accepted indicator at international level to monitor green growth, it is not a measure of a typical carbon footprint per unit of agricultural output, and so should not be interpreted to mean we are the least climate efficient."

Strategy

The EU study suggested most countries, including Ireland, were managing to combine higher productivity in agriculture with a lower carbon footprint, albeit with varying degrees of success.

It also noted that Ireland's per capita expenditure on agricultural research and development was considerably higher than other member states.

The findings come in the wake of the Government's draft strategy to cut emissions, pub-

lished by Minister for Communications, Climate Action and Environment Denis Naughten last month. The plan acknowledges that Ireland is not on track to meet its "carbon budgets" for 2020 and 2030.

The EU findings coincide with a recent policy document by the Institute of International and European Affairs, which suggest that if agricultural emissions cannot be reduced, other sectors such as transport would be required to make "unrealistic" reductions.

According to the report's author, Joseph Curtin: "In this scenario the transport sector would be required to reduce its total emissions between 2020 and 2030 by at least 40 per cent if the agriculture sector cannot make a greater contribution to Ireland's carbon budget".

Visa Europe suffers three-day outage at settlement system

EOIN BURKE-KENNEDY and DOMINIC COYLE

Credit card company Visa has suffered a three-day outage in its settlement system.

The company said yesterday it had resolved the technical issue that had caused the unprecedented crash, although there was no detail on how the problem had occurred. However, it is understood that the company was not a victim of a hack or attack from outside.

As of last night, the credit card giant was still struggling to process thousands of payments, both domestic and international, some dating back to Tuesday.

Visa stressed there was no issue with its authorisation platform and that consumers and merchants experienced no difficulty in continuing to use and accept cards for purchases.

"This issue has had no impact on the cardholder use of Visa products or the ability of merchants to accept Visa," it

said in a statement. "However, it has slowed Visa's normal process for settlement of funds between our financial institution clients in Europe which is currently being addressed as a matter of urgency."

Lag period

Consumers may notice a longer lag period between a card purchase being made and the item appearing on their account. That could be an issue for people receiving monthly statements in that some items may not appear until their April bill.

For merchants, Visa said they were still receiving money for transactions with no delay.

But there could be problems early next week, depending on the arrangement with individual banks, if the entire backlog of transactions stalled by the three-day suspension is not processed.

Visa advised cardholders or merchants with questions regarding their accounts should contact their bank.

Pay hikes for Bombardier executives amid layoffs

FRANCESS McDONNELL

Six of Bombardier's top management team shared a massive hike in their pay packets totalling \$32.6 million (€30.6 million) last year, as the Canadian group was laying off 1,080 people in Belfast.

Bombardier confirmed details of the 2016 compensation packages for its top executives – including that of chief executive Alain Bellemare, whose total package jumped to \$9.5 million from \$6.4 million a year earlier – in a management proxy circular ahead of its annual general meeting this year.

The aerospace group, which is in the middle of a five-year plan to cut global costs and 14,500 jobs worldwide, got a \$1 billion bailout last year from the Quebec government for its C-Series aircraft programme, which had suffered delays and major budget overruns.

Just last month the Canadian government also confirmed that it will give Bombardier a repayable loan of \$372.5 million over the next four years. Bombardier stated in its lat-



CEO Alain Bellemare's package jumped to \$9.5m from \$6.4m

est proxy circular that its "approach to executive compensation" is to "maximise the overall performance of the corporation through the individual performance of its executives".

Compensation policy

"Bombardier's executive compensation policy focuses on total compensation: base salary, short-term incentives, long-term incentives, pension, benefits and perquisites," it stated.

But the group's decision to increase the take-home sala-

ries for its top executives, including the chairman of its board, Pierre Beaudoin, whose compensation package rose from \$21.9 million to \$32.6 million last year, while axing thousands of jobs and securing significant government financial support, has attracted harsh criticism in Canada.

Details of the executive pay deals emerged as Bombardier's Northern Ireland operations – registered as Short Brothers plc – published its annual report and financial statements for 2016.

In a foreword to the statements, directors of the company said while it had been an "extremely challenging year" for the Northern Ireland operations, it had "achieved profitability targets".

The statements show an operating profit of \$133 million in 2016, compared to a previous year loss of \$280 million.

But turnover fell to \$871.6 million from \$919.6 million in 2015. The company reported a profit before tax of \$76.3 million compared to a \$33.2 million loss in fiscal 2015.

Quote of the day

“For the first time, we’re looking comprehensively at the source of what has been a large and persistent trade deficit” - US National Trade Council director Peter Navarro on Mr Trump’s proposed study of unfair trade practices

Number of the day

28

Ireland's ranking among the 28 members of the European Union in the level of greenhouse gas emissions per euro of agricultural output, according to research commissioned by the European Parliament, making it the least climate-efficient.

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Jason Bradshaw FCA joins JPA Brenson Lawlor



Jason Bradshaw, (far right), joins JPA Brenson Lawlor Partners, (right to left) Padraic Ferguson, Thomas McDonald, Ian Lawlor, Henry Kinch and Michael O'Leary

Jason Bradshaw has joined JPA Brenson Lawlor, one of Ireland's Top Twenty firms, as Partner heading up the Corporate Finance unit. The firm is recognised for its sectoral expertise in the broad healthcare sector in which Jason has previously specialised. With his contacts in Silicon Valley he also has a growing reputation in the early stage tech sector. Jason joins the existing five partners along with a further fifty-five staff members.

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