THE IRISH TIMES

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Motors
Best cars of the year

Sports
Eileen and Moira Dunne's history of the All Stars

Dan McLaughlin
Northern Lights brighten prospects for Arctic's biggest city
Inside Russia, page 7

Miriam Lord
What a way to round off the session. Would Micheál serenade Mary Lou, Lady in Red?
Dáil Sketch, page 5

Kathy Sheridan
Finland's clubbing prime minister would not last very long in Ireland
Opinion, page 10

Staff to be redeployed in overhaul of booster campaign

Hundreds more GPs and pharmacists to be asked to join revised programme

Government resistant to any major new restrictions, aiming to keep schools open

JENNIFER BRAY and **PAT LEAHY**

The State's booster campaign is to be overhauled with a massive redeployment of healthcare and public sector staff, who will be asked to prioritise Covid-19 vaccinations in the face of a potentially imminent Omicron wave.

Hundreds more general practitioners and pharmacists will be asked to join the booster programme as the State races against time to give the population adequate protection against the latest Covid-19 variant.

The Government is extremely resistant to the idea of any major new restrictions and is placing the focus firmly on the revised vaccination campaign which will be launched imminently by the HSE.

Many vaccination centres will have extended opening hours, from 8am to 8pm, there will be extra centres in Dublin and Cork and other areas as well as increased capacity in existing centres.

A source said the inoculation campaign had now entered its most challenging period since last January and that multiple workforces would be redeployed.

The Government will lean heavily on general practitioners as part of a "national effort" to prioritise vaccinations, meaning there will be less availability for other health issues. The plan is to have every GP vaccinating the public, up from the estimated 75 per cent currently providing this service. The Government also wants to see 1,000 pharmacies giving the jabs, up from about 550.

High-risk children

The pace of the campaign will be accelerated and from December 20th the inoculation of high-risk children will begin, with other cohorts following from January 10th.

A senior source said that people in their 30s and 40s can expect to hear "this side of Christmas" when they will be offered the next dose.

Taoiseach Micheál Martin last night called on the country to "hold the collective nerve" as the latest figures show that approximately 1.25 million have received a booster shot.

Chief medical officer Dr Tony Holohan said results yesterday indicated that approximately 14 per cent of the State's new infections were now due to the new Omicron variant.

He updated the Coalition's three party leaders last night ahead of a crunch meeting of the National Public Health Emergency Team (Nphet) tomorrow.

School holidays

Government figures are extremely resistant to any suggestion of harsh new restrictions, while Mr Martin has said there is no plan to close schools early "at this stage".

He told RTÉ that a "collective objective of all of us is to keep schools open".

A spokesman for the Department of Education said the scheduling of school holiday periods are not due to change.

Meanwhile, there is concern in Government about younger age groups who got the one-shot Johnson & Johnson vaccine and who may be especially vulnerable now as they wait their turn. The issue has been raised with Dr Holohan and the National Immunisation Advisory Committee (Niac).

The World Health Organisation (WHO) said yesterday Covid-19 vaccines appeared to have become slightly less effective in preventing severe disease and death, but did provide "significant protection".

The Omicron variant should not be dismissed as "mild", WHO director-general Tedros Adhanom Ghebreyesus said.

"Omicron is spreading at a rate we have not seen with any previous variant.

"Even if Omicron does cause less severe disease, the sheer number of cases could once again overwhelm unprepared health systems."

How big a threat is Omicron to Ireland?, page 2; Germany fears growth in forged passes, page 6; Editorial comment, page 11

Facing forward
Images from the past

Uma Kadamakudi (14) from Confey College, Leixlip, at the launch exhibition for In Our Own Image: Photography in Ireland 1839 to the Present in The Printworks, Dublin Castle. The exhibition continues until February 6th.

Photograph: Kenneth O'Halloran

Calls for pandemic subsidy ban over dividends

Mercedes distributor paid dividend after receiving €1.8m in Covid wage subsidies

MARK PAUL
Business Affairs Correspondent

Companies that took taxpayer-funded payments to cope with the pandemic and then paid dividends to their shareholders should be banned from availing of further State subsidies, according to a Government TD.

Jim O'Callaghan, Fianna Fáil TD for Dublin Bay South, made the call after The Irish Times revealed that the company which distributes Mercedes-Benz cars in Ireland received almost €1.8 million in pandemic wage subsidies last year. It paid a similar amount in a cash dividend, also last year, to an offshore company controlled by the family that owns the business.

O'Flaherty Holdings, which is owned by the O'Flaherty family through MML Holdings, made operating profits of almost €10 million in 2020. It paid the dividend to Hailstone Holdings, a company registered in the Isle of Man.

A spokesman for the company suggested it was coincidence that the taxpayer subsidy and the dividend were near-identical amounts.

He was unable to provide a statement from the company following a request for comment to chief executive Paddy Finnegan.

Last year, Mr O'Callaghan asked Minister for Finance Paschal Donohoe whether companies in the State's flagship employment wage subsidy scheme (EWSS) were banned from paying dividends. Mr Donohoe replied that he was "advised by Revenue that the issue of what dividends a company may or may not be in a position to pay to shareholders . . . are matters that are outside the remit" of the scheme.

Compliance measures

The Department of Finance yesterday declined to comment on the O'Flaherty Holdings dividend. It said the wage subsidy scheme, which has so far paid almost €5.7 billion to employers, "incorporates compliance measures" and it referred to a statement last week by Mr Donohoe. However, the EWSS includes no compliance measures for dividends.

The Revenue Commissioners said the payment of dividends is "not a matter covered in the overarching legislation" that backs up the wage subsidy scheme. "The . . . payment of dividends by companies claiming Covid supports is a tax policy matter," it said, referencing the Department of Finance.

Mr O'Callaghan suggested companies that took subsidies and then paid dividends were not following the "spirit" of State assistance schemes.

"The terms of the schemes should be amended to ensure that no dividends can be paid out by companies that are in receipt of pandemic supports," he said.

He said if cash could not be clawed back, then companies that took supports and paid dividends should be "precluded" from future support.

Mercedes' Irish distributor paid €1.8m dividend after getting Covid subsidy, page 12

Families of victims to receive 'Brandon' report today

KITTY HOLLAND
Social Affairs Correspondent

The executive summary of the "Brandon" report into prolonged sexual abuse of intellectually disabled residents at a HSE-run disability centre in Donegal, will be published tomorrow.

A senior source told The Irish Times that following consultations with gardaí, the 13-page executive summary would be provided to the families of Brandon's victims today in advance of publication. Staff at Ard Greine Court campus in Stranorlar, where the abuse took place, will get copies and be briefed today.

The Minister of State for disabilities, Anne Rabbitte, is awaiting legal advice from the Attorney General as to whether she can publish the full report.

The Brandon report, completed by the National Independent Review Panel (NIRP) in August 2020, finds that a former resident, given the pseudonym Brandon, perpetrated at least 108 sexual assaults on upwards of 18 intellectually disabled adults, most of them non-verbal, between 2003 and 2016.

It says the "common strategy" to manage Brandon – to move him from ward to ward – "simply gave him access to a new cohort of clients whom he proceeded to assault until he was moved on again".

None of the families was told about the abuse of their loved ones until December 2018, a decade after the abuse in some cases. While several have called for publication of the full report, the HSE has maintained its stance that it will publish only the executive summary.

The report says Brandon's assaults continued "unabated" and with the "full knowledge" of management.

Nursing staff tried repeatedly to stop the abuse, reporting it to management, it says. In 2011 a number of experts recommended Brandon's contact with other residents be stopped and his victims' families be told. The assaults, however, continued and families were not informed for several years.

Brandon was moved to Brentwood Manor, a private nursing home in Convoy, Co Donegal in May 2016 and died there last year.

The abuse came to light in 2016 when a whistleblower approached local independent TD, Thomas Pringle. He reported it to HSE management in the county and the then minister for disabilities, Finian McGrath. A look-back review, completed in 2018, led to the HSE commissioning the NIRP review.

Weather

Outbreaks of rain across the north of the country. Staying drier in the south with sunny spells. Highs of 8 to 11 degrees.

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Vol. No. 51215. Wednesday, December 15, 2021

Home News

Direct provision: Twenty-nine people have died in the system over the past five years, according to figures released by the Department of Justice for the first time: page 4

Irish Water: The failure to improve treatment plants has left many water supplies vulnerable the EPA has said: page 3

World News

UK: Boris Johnson has suffered a massive backbench rebellion as over 100 Conservative MPs voted against the introduction of Covid passes: page 6

Business Today

Aviation: A start-up that hopes to manufacture vertical lift electric aircraft is in early-stage engagement with the IDA over a production facility: page 13

Dublin: An Bórd Pleanála has approved a 241-unit apartment scheme on former Blackrock College lands: page 12

Sports Wednesday

Rugby: Having announced he is leaving Munster Johann van Graan is being tipped to join Bath as head coach: page 16

Soccer: Kevin De-Bruyne scored twice as Manchester City hammered Leeds United 7-0 in the Premier League last night: page 17

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Business Today

Wednesday, December 15th, 2021 Editor Ciarán Hancock Twitter @IrishTimesBiz email finance@irishtimes.com

Mercedes' Irish distributor paid €1.8m dividend after getting Covid subsidy

Company controlled by O'Flaherty family paid the dividend to an offshore entity

Firm received about same amount in State supports despite 80% rise in profits

MARK PAUL
Business Affairs Correspondent

The Irish family-owned group that distributes Mercedes-Benz cars in Ireland received close to €1.8 million in taxpayer-funded pandemic subsidies last year, but it also paid a similar amount as a dividend to the offshore company that controls the business. Despite the pandemic, O'Flaherty Holdings, owned by members of the wealthy O'Flaherty family through MML Holdings, recorded a rise in its profits for the year of more than 80 per cent to almost €13.1 million, accounts show.

The group's chief executive, Paddy Finnegan, has been contacted for comment about the payment of the dividend to the O'Flaherty family's company at a time when the companies also accepted large State subsidies from taxpayers. He had not commented at the time of publication.

Rise in profits

Earlier in the pandemic some companies, such as stockbroking firm Goodbody and CRH, the building materials giant, announced they would return taxpayer wage subsidies to the State.

Recently-filed accounts for MML suggest that €3.8 million of its rise in profits came from a gain on the winding up of its pension scheme. But profits on its ordinary trading activities still rose over the year by 15 per cent to €9.6 million.

A 15 per cent decline in the O'Flaherty group's turnover to €228.5 million was partially cushioned by €1.764 million in payments from the State's pandemic wage subsidy scheme, which contributed towards the wages of workers in businesses that faced closure during lockdown.

€13.1m
Profits at O'Flaherty Holdings last year

MML's accounts give details of this payment, as well as a €1.79 million dividend paid to Hailstone Holdings, the O'Flaherty family-controlled entity in the Isle of Man that sits at the apex of the group.

The accounts signed off in September include a note from the directors on the effects of the pandemic on its performance, saying that "despite the impact that Covid-19 has had on operations to date, the group has maintained a strong balance sheet position".

Cash

Its balance sheet shows that the group's cash pile at the end of 2020 had grown to €33.2 million from €26.6 million. Its net assets grew over the year by almost €9 million to €270 million, while its accumulated profits stood at €264 million. It employs 310 staff.

O'Flaherty Holdings includes Motor Distributors Limited (MDL), which imports Mercedes-Benz into Ireland. The group also owns a large network of motor dealerships, as well as investment properties.

The group has its roots in a company founded by legendary Irish businessman Stephen O'Flaherty, grandfather of the current generation that owns the business. He built the group in the 1950s after securing the franchise for Ireland and the UK for Volkswagen. He eventually became one of the richest men in Ireland. MDL is no longer a distributor of Volkswagen.

241 units in Blackrock granted planning

GORDON DEEGAN

An Bórd Pleanála has cleared the way for construction of a planned €135 million build-to-rent apartment scheme on former Blackrock College lands in Co Dublin.

The board has granted permission for the 241-unit scheme by Lioncor at lands at Cross Avenue on a site adjacent to the private fee-paying school under strategic housing development rules.

The scheme by Lioncor subsidiary, 1 Players Land Ltd, comprises three blocks, with one reaching to nine storeys.

An Bord Pleanála granted planning permission over the recommendation of Dún Laoghaire Rathdown County Council that it be refused on the basis that the scheme will have a detrimental impact on the character of the area due to its scale, height and visual prominence.

Local residents also expressed concern over the scheme.

Concerns

One of the third parties to express concerns was the rector at St Philips and St James' Church, Rev Canon Gillian Wharton.

"Given the proposed development's immediate proximity to our grounds and church, we consider the scale and particularly the height of the proposed development will dwarf the church and be problematic for the range of activities undertaken on our campus," he told the planning board.

The St Margaret's Residents Association had registered its opposition to the scheme while the board of management of Booterstown National School had also raised concerns.

Lioncor purchased the site at Cross Avenue for about €16 million last year from the order responsible for Blackrock College, the Holy Ghost or Spiritan congregation.

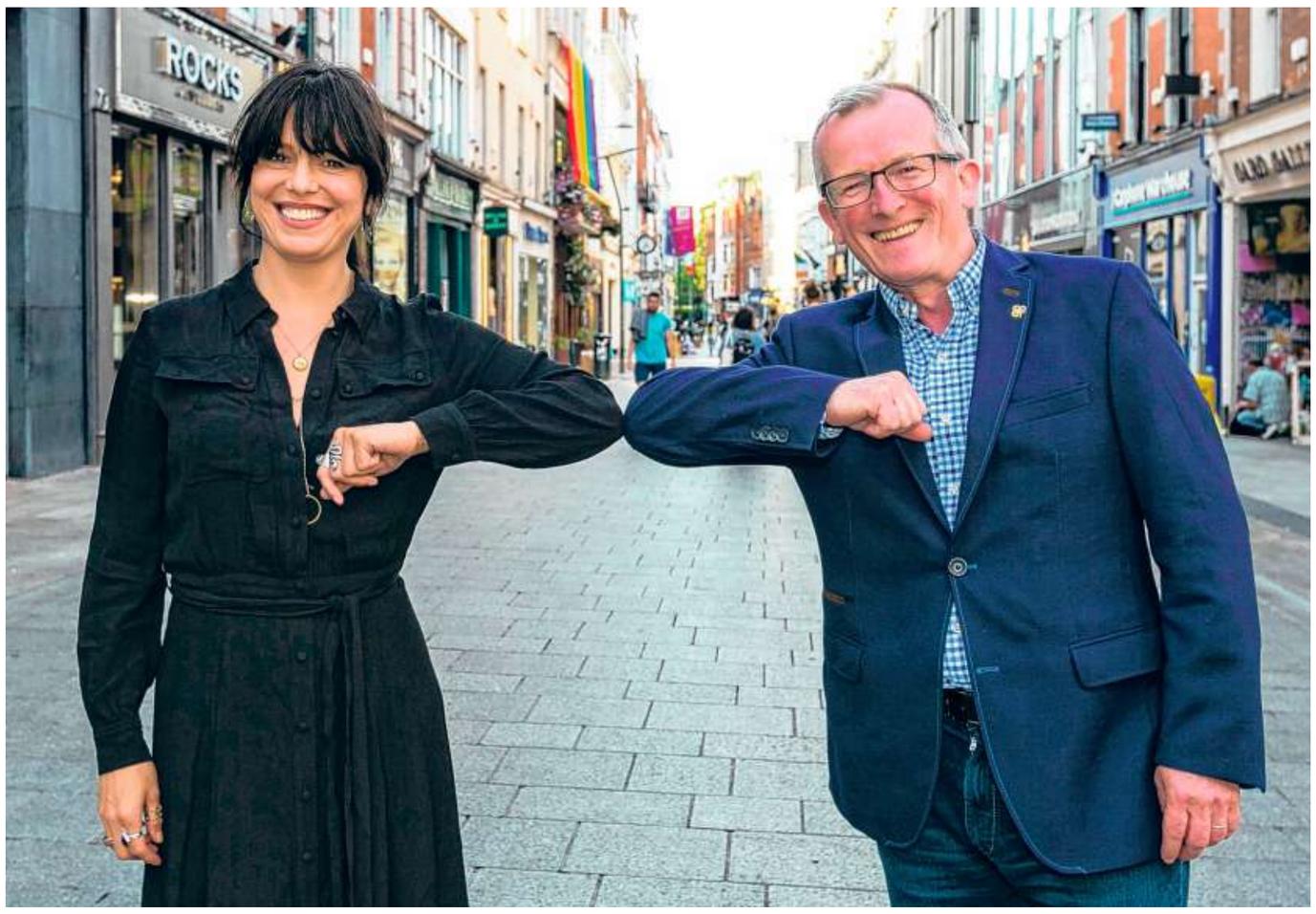
Downsizing

The appeals board inspector in the case, Máire Daly, said there was ample justification for a build-to-rent development at the site due to its location "close to employment centres and beside high quality public transport facilities".

"The proposed residential type and tenure will provide a viable housing solution to households where home-ownership may not be a priority and will provide a greater choice for people in the rental sector," she said.

She was satisfied that the units would accommodate a range of age cohorts and household types, including those downsizing and freeing up under-occupied larger units in the vicinity, all of which, she said, was appropriate in terms of achieving a sustainable mix of household sizes and types.

Ms Daly concluded the development would not result in any significant adverse impacts on residential amenities or nearby school amenities by way of direct overlooking.



Singing Ireland's praises May joins Tourism Ireland bid to attract British visitors

■ Singer-songwriter Imelda May with Tourism Ireland chief executive Niall Gibbons on Dublin's Grafton Street during filming for the series Voices of Ireland, which premiered on Sky Arts and Sky's Now streaming app last night. The two-part documentary series, which promotes Ireland to potential British visitors, was made for Sky and Tourism Ireland by Red Shoe Productions. The "literary travelogue" will see Ms May meet well-known Irish personalities including Moya Brennan, Stephen Rea and Sharon Shannon. PHOTOGRAPH: SHANE O'NEILL/COALESCE

Tetrarch Capital mulls sale of Killashee Hotel

BARRY O'HALLORAN

Investor Tetrarch Capital is mulling the sale of Killashee Hotel in Co Kildare, one of the company's higher profile properties.

Tetrarch, run by Michael McElligott and James Byrne, owns hotels and offices mainly close to Dublin. The company is understood to be considering the sale of the well-known 140-bedroom four-star property close to Naas, Co Kildare.

Tetrarch has not commented on the move, but local sources say that a possible sale has been on the cards for some time.

Along with Mount Juliet in Thomastown, Co Kilkenny and Citywest in Saggart, Co Dublin, the Killashee is one of several well-known hotels that Tetrarch owns.

The property business also owns Millennium Park Lands, an industrial estate in Osberstown, Naas, where tenants include Irish food group Kerry.

Speculation has linked several buyers to a deal for the Killashee. However, the process is understood to be at an early stage, with the prospect of a sale some time away.

Rescue plan

Tetrarch bought the Killashee in 2014 for €13 million from its owner Craigfort Taverns, which was under court protection from creditors at the time. The deal was part of a rescue plan put together by an examiner appointed by the courts to help Craigfort get back on its feet.

Craigfort's parent, Faxhill Homes, controlled by Kildare builder Jack Tierney, was in receivership. However, Craigfort, which included Lawlors Hotel, also in Naas, was rescued as its businesses were shown to have viable futures.

The Killashee is a popular wedding venue as well as drawing guests from local businesses, Punchestown racecourse and the bloodstock industry. The 19-century manor previously served as a boarding school.

Tetrarch is building "apart-hotels" – serviced apartment buildings that offer short-term stays with hotel-style bookings – and a budget hotel in Dublin city centre.

The business owns offices on the capital's northside, several of which it rents to State bodies, including the Garda Ombudsman.

PCRE to spend €140m on developing six solar farms

CHARLIE TAYLOR

Irish solar photovoltaic cell developer Power Capital Renewable Energy (PCRE) is to invest €140 million in six ready-to-build solar farms with a combined capacity in excess of 240 megawatts.

The move comes after it acquired the solar farm sites from Renewable Energy Systems (RES) for an undisclosed sum in a move that brings its total portfolio to over 1.1 gigawatts. The deal, which comes in addition to a €200 million investment announced earlier this year, cements PCRE's position as one of the largest independent solar power producers in the State.

The solar farm sites acquired from RES are in several counties including Galway, Waterford, Clare and Kildare, and come complete with planning permissions from local councils and grid connections from ESBN and Eirgrid.

Auction

The company intends to submit some of these assets into the upcoming Renewable Electricity Support Scheme auction and will also continue to seek corporate customers looking to reduce their CO_2 footprint by entering "power purchase agreements", it said.

"This is a major statement of our ambitions in Ireland. We know RES have a great track record in developing renewable energy projects in Ireland and we hope to do further deals with the RES team in the future," said PCRE co-founder Justin Brown.

Omnes, a French private equity and infrastructure investor with €5 billion in assets under management, took a majority stake in PCRE late last year. With Omnes's backing, PCRE is focused on building a significant solar PV portfolio in Ireland, with plans to be the dominant player in the sector locally over the next decade.

In July, the company announced plans to spend about €200 million on building out assets it acquired from Irish firm Terra Solar.

PCRE, which was founded in 2011, also operates in Britain, Germany and Greece.

AIB agrees €65m cyber resilience deal with IBM

CHARLIE TAYLOR

AIB has signed a €65 million three-year contract with IBM to provide it with enhanced cyber resilience and fraud detection capabilities.

Under the agreement, the tech giant will provide the bank with a z15 mainframe and related services.

AIB is following in the footsteps of other financial institutions, including Britain's Nationwide and Singapore's DBS Bank, by adopting the z15 as a critical part of its mainframe modernisation efforts.

The z15 integrates hybrid cloud, data privacy and security controls, and promises a better performance and increased efficiency.

The new platform includes advanced data analytics and process automation tools and will enable enhanced system availability capabilities.

"As we accelerate into the future of banking, we need the most advanced technology to underpin our ongoing digital transformation efforts," said Fergal Coburn, group chief technology officer at AIB.

Innovation

"IBM technology has been the backbone of our service delivery for over 30 years and this agreement maintains our relationship in the innovation space.

"This will be a core contributor in ensuring that we achieve the key technology objectives that underpin our 2023 strategic ambitions and to meet the challenges faced in our industry."

The Bottom Line

Laura Noonan

Nothing says 'Christmas' like the buzz of a holiday job

There are certain Christmas songs which will always take me back to the clothes shop in Dublin where I worked in my university holidays. The four winters I spent running around the floors of Next clothing, I discovered that nothing rivals the pulse of a shop as the festive season enters full swing.

Though I probably shouldn't admit it in the newspaper that now employs me, these were probably the fondest memories of my working life. Every Christmas, I briefly wish I could trade places with my teenage self.

I know my recollections of that time are hued with nostalgia. The same can be said for a Financial Times colleague who so loved his part-time job selling school uniforms in London's Peter Jones department store that he seriously considered signing up for its management trainee scheme. Witnessing the Polish uprising while on holiday whetted his appetite for global affairs, and the rest is history.

Still, the memory of £20 tips from wealthy foreigners, the joy of the store and the camaraderie with colleagues from all walks of life has never left him. "Nothing quite matched that, ever," he says, more than 40 years and many career accomplishments later.

A lot has changed since his day and mine. His part-time job came with a heavily subsidised staff bar. Mine, in the early 2000s, coincided with the headiest years of Ireland's Celtic Tiger economic boom. Holiday work was easy to come by, and customers had plenty of money to spend. As our crisis-time finance minister, the late Brian Lenihan, so memorably put it, "we all partied."

Homeless cafes

Today's students are not so lucky. A walk around Dublin reveals homeless people queueing for food a few doors down from the Next store where I worked. It is one of a handful of homeless cafes which have erupted across the city as the pandemic has tipped many struggling residents into poverty.

One student describes having handed out 20 CVs in recent years and only getting one response. That was before Covid. Another describes how the pandemic led to staff shortages and uncertainty about hours, amid ever-changing rules on openings.

Recent supply chain woes, which led to stripped shelves and frustrated customers, has made the mood on shop floors today very different to the one I remember.

I go to another Next store across Dublin. Less than four weeks before Christmas, there are only a handful of people in the store. The buzz of my retail past – when finding sizes, ushering people into fitting rooms, bagging up clothes and entertaining bored children was part of so many Christmases – is notably absent.

Now, Next plc tells me, online shopping has led to a step change in how the holiday season works in retail. Next takes on "dramatically" fewer seasonal staff in high street stores than it did in my day. What was a rite of passage for many of us is becoming an increasingly rare opportunity.

Some, whose memories of Christmas counter service are less favourable than mine, might say that's no bad thing. But I will forever disagree. My favourite Christmas memory is still bound up with the camaraderie of a festive all-nighter. At Next, all staff had to work some part of Christmas Eve. The country students who wanted to get home in time for the celebratory build-up usually took a shift that began the evening of the 23rd and finished at dawn. We'd work through the night, ticketing shoes and tops and dresses for the post-Christmas sales.

I remember the boxes of Celebrations and Quality Street sweets. I remember my beloved Christmas tape blaring throughout the store. I remember how we sang, and laughed, and ate, and put red dots on labels so we'd know what was in the sale and what wasn't.

> What was a rite of passage for many of us is becoming an increasingly rare opportunity

I remember one year using some of the money I'd earned with all those holiday shifts to buy a DVD player on the way to my Christmas shift, and feeling like Santa bringing it home to my mother, sister and brother.

I remember making my way to the train station on Christmas Eve mornings when it was still dark out, and embarking on the two-hour journey to my hometown, where I'd arrive in the late morning, drunk-tired, bleary-eyed and never happier the whole rest of the year. – Copyright The Financial Times Limited 2021

Apple TV Plus offered on Sky Q platform

LAURA SLATTERY

Sky has made Apple TV Plus available through Sky Q, meaning its pay-TV customers will be able to access the streaming service on the platform for €4.99 per month.

The streamer, which offers a free seven-day trial, includes original Apple-commissioned programming, such as comedy hit Ted Lasso, popular drama The Morning Show and science fiction series Foundation, which is made in Troy Studios in Limerick.

Sky said Apple's content would be easy to discover on its homepage and apps rail on Sky Q, while it will also feature in its top picks section alongside Sky's original shows and the content and apps of its other partners.

Apple TV Plus will be available on Sky Glass, Sky's new streaming television once these devices go on sale in Ireland from 2022, Sky Ireland said.

Apple TV Plus was launched in November 2019. The tech giant has not yet published any official subscriber numbers.

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Women in Sport 2021

Special supplement celebrating a remarkable year


Women in Sport 2021
A special supplement in association with SPORT IRELAND SPORT ÉIREANN
We're only at foot of the mountain
Malachy Clerkin

Ciara O'Brien
Apps to help you stay calm, organise your gift list, track Santa or dance like an elf
Business

Naomi O'Leary
Did you hear that 'the EU' tried to cancel Christmas? It's not true
World News

Finn McRedmond
Elon Musk is a reminder that people do not have to be nice to be good
Opinion

Nphet to consider tightening rules on gatherings

Restrictions on large sporting events and hospitality also under consideration

Warning ICU Covid numbers could be worse than January as Omicron spreads

JENNIFER BRAY, PAT LEAHY and **CORMAC McQUINN**

The State's public health team will meet today to discuss tightening rules with restrictions on large sporting events and hospitality as well as warnings about large family gatherings and house parties under consideration.

With just over a week until Christmas, alarm is growing after the UK yesterday recorded the highest daily total of confirmed coronavirus cases since the pandemic began, with 78,610 new cases notified, an increase of 32 per cent in one day.

New preliminary modelling was presented to the Government on the future trajectory of the Omicron variant, with Minister for Health Stephen Donnelly describing the situation as "very stark".

Ministers were warned of likely massive surge of infections as Omicron gets a hold with optimistic scenarios seeing hospital and ICU numbers as high as last January but pessimistic scenarios a lot worse.

Vaccine booster programme

Mr Donnelly was speaking as he announced a significant expansion of the State's vaccine booster programme last night.

Despite the spread of Omicron, Tánaiste Leo Varadkar told a Fine Gael parliamentary party meeting last night that schools would not close early and would reopen as scheduled next year.

The National Public Health Emergency Team (Nphet) is expected to meet this evening to consider what extra measures can be taken to reduce socialisation in the face of the more transmissible variant.

Ministers expect to tighten some restrictions after the Nphet meeting, but sources say there is a sense that severe lockdown-type measures are not likely to be considered.

People may be asked to avoid large gatherings and to cut their close contacts in the lead-up to Christmas. Nphet will also likely discuss rules on tightening restrictions around sporting events over Christmas and around large family gatherings and house parties. People may also be asked to increase their use of antigen tests, particularly before meeting elderly relatives.

On travel, the Government is favouring an EU-wide approach, and harsh new restrictions are not expected as Omicron looks set to be the dominant variant next week.

Cabinet is expected to meet tomorrow to discuss any new recommendations from Nphet, and decide whether to accept that advice.There has been speculation that opening hours for hospitality may be examined, with the possibility of earlier closing times under consideration.

The head of the Restaurants Association of Ireland, Adrian Cummins, last night said any further restrictions on hospitality "will have a devastating economic impact on businesses".

At a meeting between Coalition leaders and chief medical officer Dr Tony Holohan and Prof Philip Nolan on Tuesday evening, politicians were warned that Omicron would spread rapidly and that while vaccines would provide protection, caution would be needed.

As GPs prepare to ramp up booster vaccinations to all age groups and patients, Mr Donnelly last night announced that the 15-minute observation period after a person is administered a Covid-19 vaccines is to be shelved.

This will speed up the vaccination campaign as the Government aims to administer 300,000 shots a week after the Christmas period.

From December 27th, people in their 40s will start to be offered appointments for their next dose.Mr Donnelly said: "Based on what we're seeing in the UK it's reasonable to assume that we are looking at a very high number of cases in the coming weeks."

Page 2: Warning of impact on hospitals; Page 3: Testing staff braced for surge; Pages 9-11: World News; Page 15: Editorial comment

Dear Santa
Can we have a new Gaelcholáiste?

Pupils from five primary-level Gaelscoileanna in south Dublin – Scoil Bhríde, Gaelscoil Lios na nÓg, Scoil Mológa, Bunscoil Sancta Maria and Gaelscoil Eoin – protested outside Leinster House yesterday calling for a Gaelcholáiste (an Irish language-medium secondary school) to be built in their school area.
Photograph: Alan Betson

Treatment of Hooded Men was torture, Taoiseach says

Martin says UK ruling on decision to drop investigation vindicates campaigners

FREYA McCLEMENTS and **NAOMI O'LEARY**

The treatment of the "Hooded Men" was a "clear use of torture" and the Police Service of Northern Ireland (PSNI) was wrong to drop its investigation into it, the Taoiseach said yesterday.

Micheál Martin was speaking following a ruling by the UK supreme court that the decision by the PSNI in 2014 not to further investigate new evidence was "irrational" and should be quashed.

He described the ruling as a "vindication of the campaign of the Hooded Men" and said there "should have been an investigation much, much earlier on, in what was clear use of torture and an abuse of the basic human rights of those people".

The North's First Minister, Paul Givan of the DUP, said the case highlighted the need to "find a way forward that allows us to provide that truth and also that justice" whether for the Hooded Men or other cases.

'Proper investigation'

The Deputy First Minister, Sinn Féin's Michelle O'Neill, said the PSNI had been "deemed to be found failing these men and I think now is the time for the chief constable to act to reopen the investigation.

"These men have been tortured, it's been recognised internationally. It's now time for the PSNI to do their job," she said.

The 14 "Hooded Men" were arrested and interned without trial by the British army in 1971 and subjected to a series of controversial interrogation tactics which included hooding and being forced to stand in the "stress position", to listen to white noise and being deprived of sleep, food and water. Some were thrown from helicopters hovering near the ground which they believed were high in the air.

Yesterday the Hooded Men, their relatives, legal representatives and other campaigners hailed the ruling as a "vindication" and a "landmark victory" and called for an immediate investigation.

Mary McKenna, the daughter of one of the men, Seán McKenna, said it was "over 50 years since my father and the other men were tortured and it is time now for the truth to come out through a proper investigation".

Solicitor for the Committee on the Administration of Justice, Gemma McKeown, said the North's chief constable should "fully and impartially investigate whether torture was authorised by senior government ministers".

Amnesty International's campaigns manager, Gráinne Teggart, said the supreme court's decision demonstrated why the UK government should halt its proposals to introduce a statute of limitations to block Troubles-era investigations.

PSNI wrong not to investigate claims of Hooded Men torture, UK court rules: page 4; Editorial comment: page 15

Companies should repay Covid subsidies if they 'didn't need it'

MARK PAUL and **SARAH BURNS**

Minister for Finance Paschal Donohoe has suggested that some companies that claimed taxpayer-funded wage subsidies from the State's flagship €5.7 billion business support scheme should return the cash if they "didn't need it as much as they thought they did".

The Minister was responding in the Dáil to a question from Labour TD, Ged Nash, who criticised the Government for not attaching more stringent conditions to the Employment Wage Subsidy Scheme (EWSS).

Mr Nash outlined details of a story in yesterday's Irish Times about a company – O'Flaherty Holdings, which distributes Mercedes Benz in Ireland – that claimed almost €1.8 million in wage subsidies last year and then paid a similar amount in a dividend to an offshore company.

The Labour TD said "the interests of the taxpayer had not been looked after" in that case, and he asked the Minister if he would, as Mr Nash said he had repeatedly advised, tighten up the scheme to prevent issues such as qualifying companies paying dividends.

Mr Donohoe said he believed the "vast majority" of companies that claimed EWSS payments needed them but he plans to "consider the issue that came to light today". He said some companies had chosen to pay back subsidies, and he wanted to "ask other companies" to consider doing the same.

Earlier yesterday, the Department of Finance said it will examine whether a change in the law is required to stop companies that receive taxpayer-funded Covid subsidies from paying dividends to shareholders.

The department confirmed it will consult with the Minister and then look again at the legislation underpinning the EWSS to see if it is "necessary or appropriate to go further and legislate for further conditionality on the question of distribution of profits" at cash-rich companies that claim subsidies.

Fianna Fáil TD Jim O'Callaghan called for such companies to be banned from receiving further taxpayer supports.

It has also emerged that Prometrics Ireland, the US multinational that has the State contract to run driver licence theory tests, paid a €1.25 million cash dividend last year while also claiming subsidies.

Driver theory tests operator paid a €1.25m dividend in year it got Covid subsidies: page 16

Weather

Today will be a cloudy day with mostly dry conditions and some patches of mist or drizzle. Highs of 9-12 degrees.

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Vol. No. 51216. Thursday, December 16, 2021

Home News

Trade: The Tánaiste has welcomed Britain's announcement that it will delay the planned introduction of extra post-Brexit checks on Irish exports: page 6

Crime: Detectives will examine Sophie Toscan du Plantier murder file to see if a cold-case review is needed: page 8

World News

Germany: Two Russian diplomats are to be expelled after a Russian man received a life sentence on for 'state-contracted' murder: page 11

Business + Technology

Economy: Economic recovery could stall if the new Omicron variant of Covid-19 triggers further health restrictions, the ESRI has warned: page 16

Housing: House price inflation has surged to a pandemic high of 13.5 per cent, according to the CSO: page 17

Sports Thursday

Soccer: Arsenal defeated West Ham 2-0 last night to leapfrog the Hammers and move into fourth place in the Premier League table: page 27

Rugby: Leinster have delayed their charter flight to Montpellier for their Heineken Champions Cup tie: page 26

Business + Technology & Innovation

Thursday, December 16th, 2021 Editor Ciarán Hancock Twitter @IrishTimesBiz email finance@irishtimes.com

Exercise is child's play: motion-tracking app
Innovation, page 20

Cricut Maker 3: A crafting phenomenon
Technology: page 21

Driver theory tests operator paid €1.25m dividend after getting Covid subsidies

Prometrics Ireland sent cash to Maltese tax resident firm, and then on to Luxembourg

US multinational received taxpayer-funded subsidies of more than €500,000

MARK PAUL
Business Affairs Correspondent

A US multinational with the State contract to run the Republic's driver licence theory tests last year paid a €1.25 million cash dividend to a company tax-resident in Malta, and from there on to Luxembourg. In the same period, it also claimed Irish taxpayer-funded Covid subsidies of more than €500,000.

After it paid the dividend, Prometric Ireland, which employs about 200 staff, continued to claim more taxpayer-funded Covid wage subsidies until the middle of 2021. This was despite it saying in its 2020 accounts that it had a "strong" financial performance and that it expected to make up any lost business from Covid at a later date.

News that a major company doing business with the State sent dividends from Ireland to offshore locations while also qualifying for State subsidies is likely to increase pressure on the Government to tighten the terms of the State's flagship employment wage subsidy scheme (EWSS), which uses taxpayer cash to help pandemic-affected businesses pay wages.

The Department of Finance said yesterday it would look at changing the law to stop companies in the scheme paying shareholder dividends, after The Irish Times revealed O'Flaherty Holdings, the family-owned group that sells Mercedes-Benz cars in Ireland, sent a €1.8 million dividend to the Isle of Man last year while also claiming a similar amount in Covid subsidies. The group's chief executive, Paddy Finnegan, has yet to comment on the matter.

Prometric's accounts for the 12 months to the end of September 2020 state it paid a "dividend totalling €1.25 million to the immediate parent company, Ireland Test Center Delivery Limited (ITCD), domiciled in Ireland and a Maltese tax resident". The cash payment is confirmed in its cash flow statement and referred to as a "dividend" repeatedly in the accounts.

Initial lockdown

Prometric's sales fell by 10 per cent to €21.5 million, as its test centres were shut during the initial Covid lockdown. But it still managed to post a profit of almost €200,000 after it received State assistance of more than €507,000, including €474,000 in wage subsidies.

The directors gave an upbeat account of its financial prospects, highlighting that it expected any revenue lost during lockdown to be merely "deferred as opposed to lost" because of pent-up demand for theory tests.

Meanwhile, the accounts for ITCD, which received the €1.25 million payment, show it then sent a "cash dividend" of €4.44 million to its shareholder, Prometric Luxembourg. This is confirmed in its cash flow statement. When asked if it was appropriate to pay cash dividends from Ireland to offshore locations while also claiming subsidies, Prometric's head office in the US insisted it "did not pay dividends to stakeholders or outside investors", despite it being described as a dividend in its accounts. It said the cash was the distribution of proceeds of the sale of a 20 per cent stake in a UK business.

ITDC's accounts do give details of the sale of the UK stake, and its proceeds of €3.19 million. However, the cash dividend paid to the shareholder in Luxembourg was €4.44 million, with the difference of €1.25 million equating exactly to the additional dividend originating from Prometric Ireland.

When it was suggested to Prometric, given it claimed subsidies until mid-2021, the total of taxpayer cash it received must be close to €1.5 million, the company declined to confirm exactly how much it had received. It said it would be in its next set of accounts. When asked if it would repay the taxpayers' cash, given it had also paid dividends, it said the subsidies had been already paid to its staff. Prometric said it would continue to invest in its Irish operations.

House prices surge by13.5%

EOIN BURKE-KENNEDY

House price inflation has surged to a pandemic high of 13.5 per cent, according to the Central Statistics Office (CSO). The figures for October represent the strongest level of price growth seen in the market since June 2015.

Many had predicted property values would fall as a result of the pandemic but a number of factors, including the ongoing shortfall in supply, increased savings and remote working, have led to an acceleration in prices.

The latest data from the CSO show residential property prices increased by 13.5 per cent nationally in the year to October. This compares to an annual increase of 12.5 per cent the previous month, and an annual decrease of 0.5 per cent in October 2020.

In Dublin, where supply pressures are most acute, prices rose by 12.3 per cent year on year, while prices outside the capital were 14.6 per cent higher. In money terms, the average price paid for a home in the 12 months to October was €320,562. The mean price in Dublin (€494,917) was the highest in any region or county.

Dún Laoghaire-Rathdown had the highest average price in the Dublin region at €682,459, while south Dublin had the lowest at €401,571.

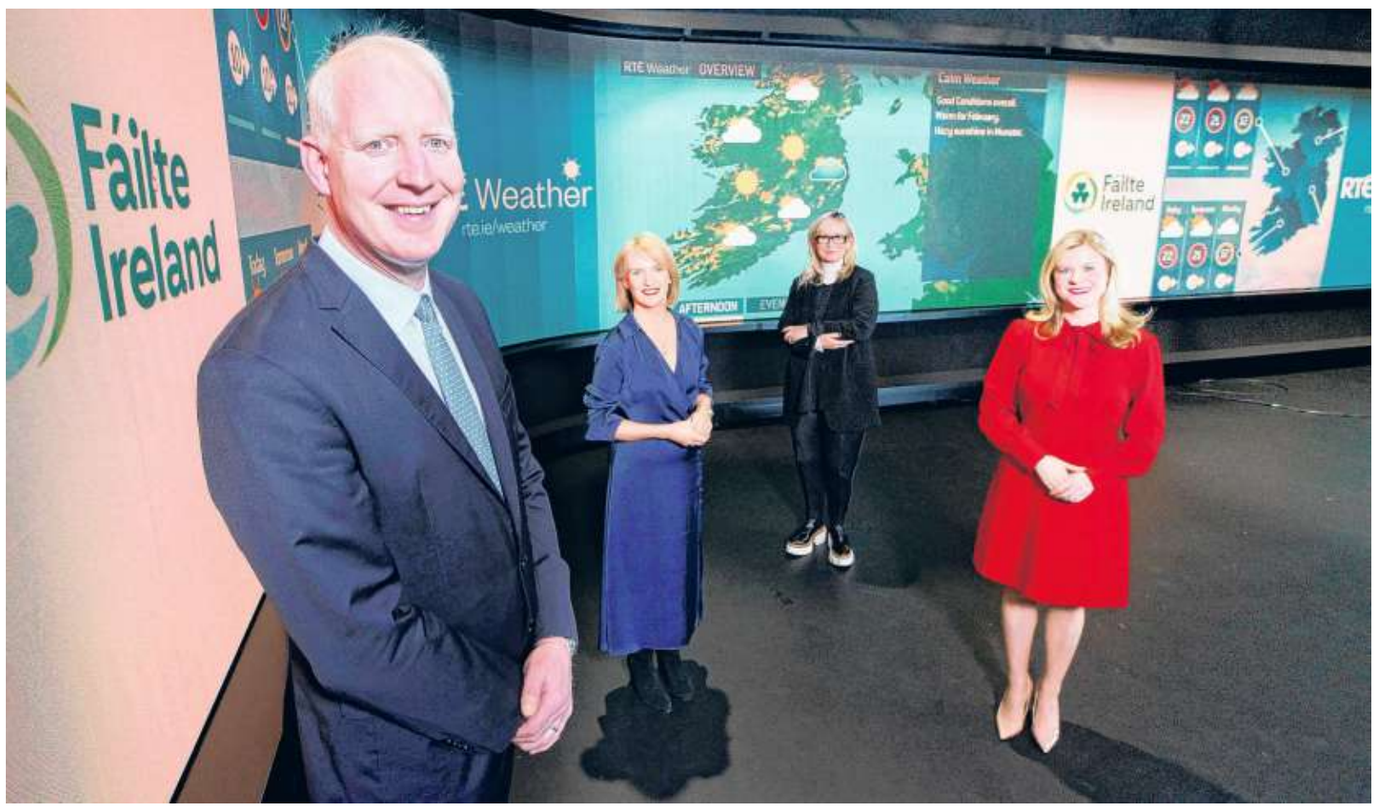
Outside Dublin, the mid-east was the most expensive region, with a mean price of €334,275; Wicklow was the most expensive county, with a mean price of €428,723.

Border region

The Border region was the least expensive region in the year to August, with a mean price of €163,443.

The CSO said the number of property transactions rose by 0.7 per cent in October to 4,335, with the total value of transactions put at €1.5 billion. Overall, prices of new dwellings have risen by 77 per cent from their trough in the middle of 2013, the agency said, while prices of existing dwellings are now 105.8 per cent higher than at their lowest in 2012.

Goodbody chief economist Dermot O'Leary said the latest figures implied annualised rate of growth in the three months to October was 23 per cent, slightly below that of September but still among the fastest in the last decade. "While growth in Irish residential property prices has climbed to unforeseen heights relative to expectations at the beginning of the pandemic, we suspect the rate of growth will ease substantially from 13 per cent in 2021 to 5 per cent in 2022," he said.



■ Fáilte Ireland chief executive Paul Kelly with Met Éireann meteorologist Joanna Donnelly, RTÉ director general Dee Forbes and RTÉ Weather's Nuala Carey. PHOTOGRAPH: ANDRES POVEDA

Fáilte Ireland to sponsor RTÉ Weather

Forecast messages will encourage people to holiday at home, says tourism agency

LAURA SLATTERY

Irish weather has long been blamed for putting people off holidaying at home, but forecast-watchers will soon be greeted with a message encouraging them to do just that.

Fáilte Ireland has agreed a deal to become the new sponsor of RTÉ Weather on television and online from January 2022, succeeding Avonmore in what is the largest broadcast sponsorship in the Irish market.

The State agency said the three-year deal would be used "to help accelerate the recovery of Ireland's tourism sector" and promote its Keep Discovering campaign to encourage people to holiday at home and support the domestic tourism economy.

The price Fáilte Ireland paid for the sponsorship was not disclosed, but RTÉ Media Sales advertised the package as having an annual rate card value of €7.5 million earlier this year.

This is the first time in 15 years that the sponsorship has become available, with Glanbia signing up in 2006 and renewing its arrangement on several occasions to promote its consumer dairy brand Avonmore.

Daily audience

RTÉ's weather bulletins after the Six-One and Nine O'Clock news programmes attract an average daily audience of 400,000 people, while the forecasts shown after the One O'Clock, Six-One and Nine O'Clock programmes have enjoyed an audience reach of 84 per cent in 2021.

This means that since January, the weather updates following RTÉ's main television news programmes on RTÉ One and RTÉ One +1 have been seen at least once by more than 3.7 million people.

"With international travel not expected to return to pre-Covid levels until at least 2025, our investment in the sponsorship of RTÉ Weather will allow us to maximise the opportunity that domestic tourism offers as we focus on accelerating the recovery of our tourism industry," said Fáilte Ireland chief executive Paul Kelly.

Fáilte Ireland research shows that Irish people take long and short breaks at home all year round, rather than predominantly in the summer season. In 2019, domestic tourism generated €2.5 billion for the Irish economy and represented a third of all tourism revenue.

"Due to the enormous weekly viewership of RTÉ Weather, we expect our strategic sponsorship to significantly help boost domestic tourism year-round and drive revenue for businesses, while sustaining and creating thousands of jobs in a sector that has been devastated by Covid-19," said Mr Kelly.

Powerful platfrom

The tourism agency's director of marketing Niall Tracey added that it would provide "a powerful platform to constantly promote motivating reasons to travel to specific destinations, counties and events at specific times of the year".

RTÉ commercial director Geraldine O'Leary said RTÉ was "thrilled" by the deal and that Fáilte Ireland had worked closely with the State-owned public service broadcaster to ensure that the sponsorship would resonate with its audience.

The deal was secured on behalf of the domestic tourism agency by media buyer Mindshare, part of GroupM, the media investment management arm of advertising giant WPP.

The package includes 110 sponsorship stings per week on RTÉ television, meaning there will be 10 seconds of Fáilte Ireland messaging at the top and tail of each weather bulletin, including those shown on the RTÉ News channel.

All bulletins on the RTÉ Player and RTÉ.ie/weather will also feature 10-second stings, while there will be "takeover" display advertising on the RTÉ News Now app, audio stings on the RTÉ Climate and Weather podcast and a monthly print ad placement in the RTÉ Guide.

Winthrop chief acquires Killashee Hotel for €25m

RONALD QUINLAN and FIONA REDDAN

Barry English, founder of Irish engineering group Winthrop, is understood to be closing on the acquisition of the popular four-star Killashee Hotel in Co Kildare from Tetrarch Capital for a sum of about €25 million.

The entrepreneur is understood to have seen off bids from a number of other parties, including Cliste Hospitality, the hospitality group led by Paul Fitzgerald and Seán O'Driscoll, which owns eight hotels around Ireland. The deal is expected to close over the coming weeks.

Mr English founded engineering group Winthrop in 1995. The group, which reported turnover of €283 million in the year to April 2020 and employs about 700 people, is also reported to be in the middle of a sales process, with a valuation of about €250 million put on the company.

The group has grown substantially in recent years, having reported turnover of just €37 million in 2013. It has capitalised on growth in the data centre sector.

€283m
Group reported turnover of €283 million in the year to April 2020

Killashee owner Tetrarch Capital had previously been reported as considering a sale of the well-known 140-bedroom four-star property close to Naas, Co Kildare. It bought the hotel in 2014 for a reported €13 million from its then owner, Craigfort Taverns, which was under court protection from creditors at the time.

Portfolio

Tetrarch has a number of other hotels in its portfolio, including Mount Juliet in Thomastown, Co Kilkenny, the Dawson Hotel, Dublin and Citywest in Saggart, Co Dublin, as well as developments such as the Millennium Park Lands, an industrial estate near Naas.

In 2019 it sold the Marker Hotel in Dublin's docklands to German investor Deka for a reported €130 million.

Despite the impact of the Covid-19 pandemic on the tourism and hospitality sectors, there have been a number of high-profile hotel sales this year, including Dublin's Morrison Hotel to London-based private-equity firm Zetland Capital, for a sum reportedly in excess of €65 million, in May.

More recently, Slieve Donard, a five-star hotel in Co Down, was acquired by US-based AJ Capital Partners, in a deal valued at about £40 million (€47 million).

Net Results

Karlin Lillington

Platforms must release data on impact of social media on young

Online safety for young people is in the headlines – again – which is as it should be for as long as we cannot fix on adequate educational, regulatory, or structural approaches to manage genuine concerns.

At European level, parliamentarians are gearing up to consider concrete steps towards better safety for children under the broad Digital Europe programme. And the UK's online safety bill has just been published, launching debate across the Irish Sea.

Here in Ireland, we're still waiting on concrete proposals under the Online Safety and Media Regulation Bill 2020, which includes the recommendation to create an Online Safety Commissioner.

Progress has been slow, and it's uncertain what shape such a role would take.

It's important we get it right, balancing real, not imagined, risks against appropriate steps taken to manage them.

The Joint Committee on Tourism, Culture, Arts, Sport and Media published its pre-legislative scrutiny of the Bill last month, with 33 recommendations.

Real and potential harms

Meanwhile, every week seems to bring more stories of real and potential harms, most notably from the use of social media platforms by children and adolescents.

Particularly attention-grabbing were leaked documents from Facebook whistleblower Frances Haugen, which indicated that the company's own internal research showed it knew of harms to adolescents using its Instagram platform, but failed to move to address them.

And yet, we still have little real insight, because the data remains internal to Meta/Facebook.

Two weeks ago, a group of more than 250 academics – global experts in psychology, psychiatry, online technology, child development and social data science – signed an open letter to Mark Zuckerberg, founder and chief executive of Meta (formerly Facebook). In it, they argue that the company has failed to respond to its own internal research showing its platforms can negatively affect young people.

They also said Meta's own internal research is poorly designed and secretive. They called for more collaboration with outside researchers and more transparency.

Prof Andrew Przybylski, director of research at the Oxford Internet Institute, University of Oxford, and one of the letter's principal authors, told me that proper research with open scrutiny of methods and data sets is needed because, right now, public discussion lacks the real insight that better and more transparent studies would provide.

Therefore, "regulators and policymakers have little idea what practical steps need to be taken to make progress on child and adolescent mental health science".

This is a serious problem and we see it play out as battles between, as he says, "powerful corporate interests" and "scientifically illiterate thought leaders".

That makes it worryingly easy to get a critical role, such as that of, say, an online safety commissioner, very wrong.

Meta provided me with a detailed response to the letter, which I gave to Prof Przybylski. He said he welcomed that Meta was clearly taking their letter seriously, though he noted with some amusement that one of the list of publications they offered to show that adolescents are not harmed by platforms, was one he co-authored.

Although it's titled There Is No Evidence That Associations Between Adolescents' Digital Technology Engagement and Mental Health Problems Have Increased, the paper's main points include those stated in the open letter – that researchers had to depend on limited data and need more and better data from the platforms "to more rigorously examine these possibilities".

Forthcoming

I asked him if other platforms were more forthcoming with data. As far as data that would inform research goes, not really, he says.

"Reddit is by far the most open, followed by Twitter. But those platforms are kind of useless for mental health science. You're not going to learn a hell of a lot about teenage body image or school bullying from the backend of LinkedIn.

"Meta, TikTok, and YouTube [which do not release adequate data] do have data that would work with other efforts to understand mental health though."

And yet, access to properly sourced and protected data is needed by researchers in many fields.

> **Every week seems to bring more stories of real and potential harms, most notably from the use of social media platforms by children and adolescents**

Przybylski points to recommendations in the US surgeon general's recent youth mental health advisory, which notes: "Technology companies must step up and take responsibility for creating a safe digital environment for children and youth" and recommends giving outside researchers access to data to better analyse products and algorithms.

"Next to doing nothing, doing something without good data is the worst of all possible outcomes," Przybylski says.

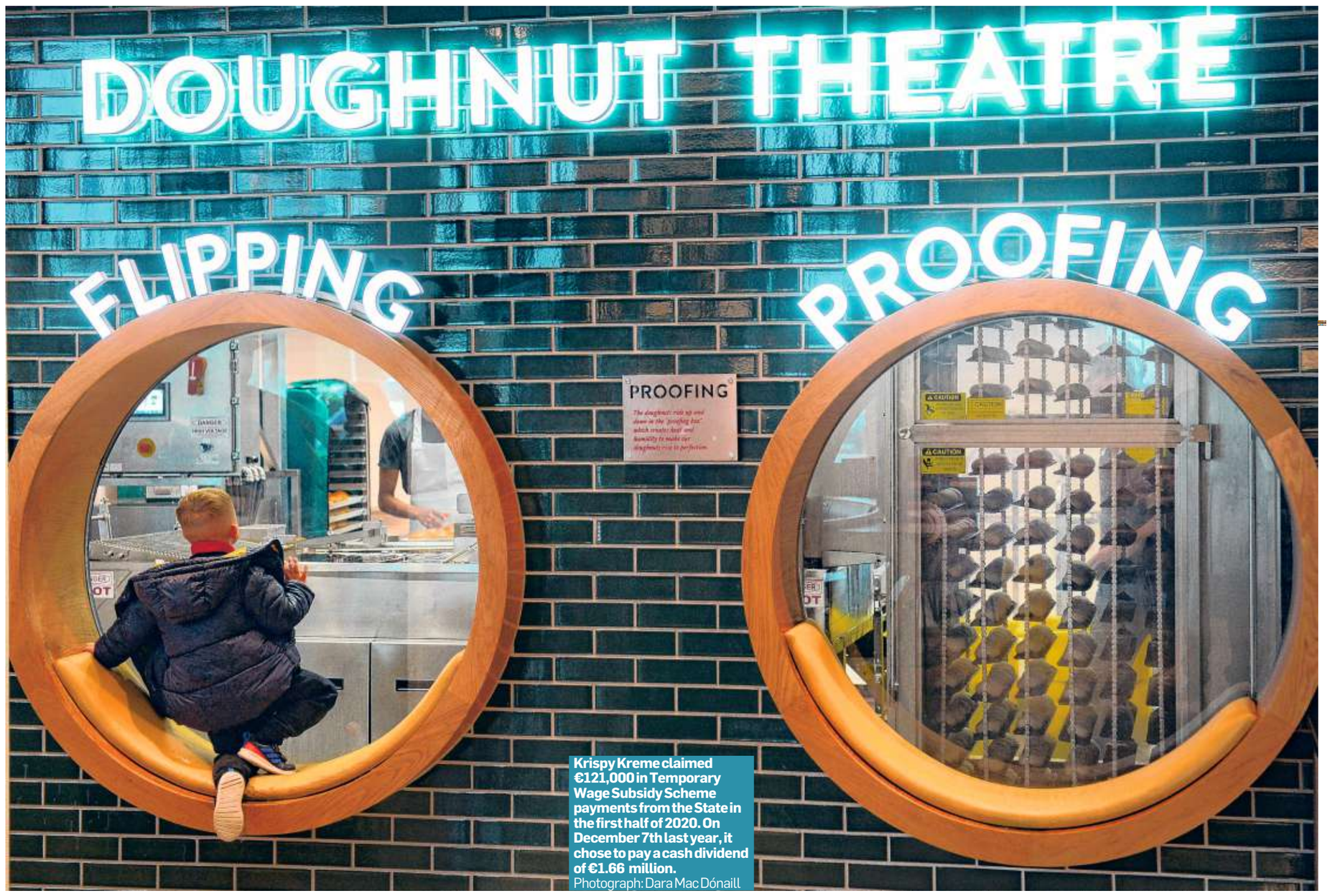
"It's absolutely fine for nations and societies to set value-based rules for how they want companies to operate, but let's not kid ourselves that any of this has a lick to do with science. That's nonsense.

"If we want evidence-based policy on online harms, we actually need evidence and this needs to be independently analysed. Not behind closed doors at Meta or some regulator's office. This data belongs to us and we should be able to learn about ourselves, and govern ourselves, taking it into account."

The companies paying dividends while on taxpayer Covid subsidies

Mark Paul

The Government is considering changing the law to stop companies in receipt of State supports from paying shareholders



Krispy Kreme claimed €121,000 in Temporary Wage Subsidy Scheme payments from the State in the first half of 2020. On December 7th last year, it chose to pay a cash dividend of €1.66 million. Photograph: Dara Mac Dónaill

If ever he desired to know what his fellow citizens wanted, Eamon de Valera famously said he had only to look into his heart. Were he around now, he might be better off trying RTÉ's Liveline for a sense of some of them - Joe Duffy's radio show famously moves to the rhythm of the plain people of Ireland.

If Dev had tuned in on Wednesday, he would have discovered that many listeners phoned in to ask that O'Flaherty Holdings, the company that sells Mercedes cars in Ireland, repay to taxpayers €1.8 million in Covid subsidies it claimed in 2020, while also sending a similar amount in dividends to the Isle of Man.

As he followed up an Irish Times report, Duffy revealed that Liveline's switchboard had lit up with angry listeners. "Like a choir in the Pro-Cathedral" they were in unison, Duffy said, about wanting the company to pay back the public subsidies that, given it banked trading profits of near €10 million in 2020, clearly were not essential for O'Flaherty Holdings to safely negotiate the pandemic.

An investigation by this newspaper shows that O'Flaherty is not alone. Many other companies have behaved similarly, by claiming taxpayer supports while also paying dividends to their shareholders.

Financial records show they include Prometrics, the company that the State pays to run the system of driver licence theory tests, as well as Newbridge Silverware, the renowned luxury goods company.

Others identified by The Irish Times so far also include doughnut sensation Krispy Kreme; the highly successful Garvey group of retail outlets and hotels in Kerry; the group that owns John Sisk & Son, Ireland's largest construction company; the popular UK-owned cosmetics retailer, Lush; as well as several other smaller hospitality outlets and retailers. More are yet to be identified in financial records at the Companies Registration Office.

Many other companies, such as the hospitality group controlled by Supermac's founder Pat McDonagh, claimed subsidies and did not pay dividends, but still made hefty profits in 2020 to suggest they were not obviously in need of the level of taxpayer financial support for which they qualified. McDonagh's group, for example, made profits of €20 million last year while also claiming large sums on subsidy schemes.

The State's wage subsidy schemes were designed to save jobs, rather than limit shareholder returns. But the initial revelation that a cash-rich company such as O'Flaherty Holdings could pay a dividend while also qualifying for the State's Temporary Wage Subsidy Scheme (TWSS), which paid close to €3 billion in supports early in the crisis, has sparked political as well as public recrimination.

The Government now says it may change the law to stop subsidised companies paying dividends. TDs on both sides of the Dáil have criticised Paschal Donohoe, the Minister for Finance, for the lack of taxpayer safeguards in the TWSS and its successor, the Employment Wage Subsidy Scheme (EWSS), which pays a portion of a company's payroll if its sales in a qualifying period decline by 30 per cent.

Jim O'Callaghan, a Fianna Fail TD, wants companies that take subsidies and then pay shareholders to be banned from further supports. He says he asked Donohoe 14 months ago about the dividends issue, but was rebuffed.

Meanwhile, Labour TD Ged Nash told Donohoe on Wednesday that the "interests of the taxpayer are not being looked after". The minister appears now to concede that change is necessary.

Mantra

An occasional mantra of Irish policy makers in the pandemic has been that "speed trumps perfection". Donohoe has highlighted that the subsidy schemes were designed in the teeth of a crisis to dissuade companies from the wholesale sacking of workers. Speed was of the essence to prevent the economy from cratering. In that primary objective, the wage subsidy schemes have been successful - an unemployment rate of 6.9 per cent, given all that has happened since March 2020, is near miraculous.

But the imperfection may yet turn out to be expensive for taxpayers. The two schemes together have cost taxpayers about €5.7 billion so far in what is the single biggest Government intervention in the economy in the pandemic. There are no figures available for how much of that outlay has indirectly helped to sustain a flow of dividends to company shareholders, regardless of the jobs saved.

In his radio show on Wednesday, Duffy suggested that the "sting in the tail" of the story that was enraging his listeners was that O'Flaherty Holdings paid its €1.8 million dividend in 2020 offshore to the Isle of Man, a corporate secrecy haven.

The group is owned by the O'Flaherty family, one of the wealthiest families in the State with a collective net worth of about €570 million, according to the latest Sunday Times Rich List. The Manx island is a popular location for the assets of Ireland's wealthy.

> **The subsidy schemes were designed in the teeth of a crisis to dissuade companies from the wholesale sacking of workers. Speed was of the essence to prevent the economy from cratering**

Sicon, the holding company for builder John Sisk & Son, claimed State wage subsidies last year and also paid a €10 million dividend

O'Flaherty Holdings, the company that sells Mercedes cars in Ireland, banked trading profits of near €10 million in 2020 and claimed €1.8 million in Covid subsidies

Prometrics, which operates the State contract for driver licence theory tests, paid a €1.25 million cash dividend and claimed about €520,000 in Covid subsidies in 2020

Cosmetics retailer Lush claimed €133,000 in State wage supports last year. Yet it also sent a €1.2 million dividend out of Ireland

Newbridge Silverware qualified for about €300,000 in wage subsidies, as well as a €75,000 in rates waivers and pandemic restart grants in 2020. It paid a cash dividend of €520,000

The Garvey group, which owns nine SuperValu stores and two hotels, had consolidated revenues of €132.5 million, and reported more than €680,000 in State subsidies and grants

Jobs

The normally media-shy O'Flaherty group issued a statement on Wednesday highlighting that the subsidies it received were "used solely and entirely for the purpose intended, namely to maintain the jobs of its workforce as businesses faced into the unknown of an unprecedented lockdown".

The group employs more than 310 people. It claimed further EWSS payments in 2021 as more lockdowns hampered the business.

Newbridge Silverware, controlled by the Doyle family, is one of Ireland's premier luxury goods brands. The most recent accounts for Rossbawn, the parent company of the group, show the impact of the pandemic on its operations as the retail outlets that normally sell its wares were hit by lockdowns.

The group's sales fell 27 per cent to €11.6 million. It made an operating loss of about €1.1 million. But despite the pandemic, this was actually an improvement on the previous year.

A note on the 36th page of the accounts shows the company qualified for State assistance of about €300,000 in wage subsidies, as well as a further €75,000 in rates waivers and pandemic restart grants. Yet it also paid a cash dividend of €520,000 in 2020 to a Doyle family-controlled company in the Isle of Man, Mona Doyle Enterprises. Records on the island show it is majority owned by the group's chief executive, William Doyle, with smaller stakes held by his sister Oonagh Doyle, and other family members.

William Doyle made no response to a request for comment on whether it was appropriate for the Newbridge group to pay a dividend to the Isle of Man company while in receipt of State assistance, and whether it plans to return the subsidies.

Rossbawn's accounts show a cash balance of almost €4.8 million at the end of 2020, more than three times the level of the previous year. Government records show Newbridge continued to claim subsidies in 2021 after it had paid the dividend.

Another of Ireland's most successful family-owned businesses in the Garvey group based in Kerry, which owns nine SuperValu stores across the southwest as well as two hotels in Dingle and a number of listed investments. The Garvey family's business has performed exceedingly well in the pandemic. In accounts for the 12 months to January 9th for Commidare Holdings, the holding company for all of the group, the directors state "they do not consider Covid-19 to have had a material effect on the group's operations".

As the retail outlets throbbed with business during lockdowns, the consolidated group's revenues were up by close to €8 million to €132.5 million, while operating profits rose by almost half to €6.4 million. The directors said the increase in profits from the shops had more than compensated for any losses in the hotels. Yet the group also reported more than €680,000 in State subsidies and restart grants.

It is obvious the group acted properly in claiming the grants for its leisure subsidiaries - hotels have been hammered by Covid and the subsidies will have helped to keep staff employed. But is also equally obvious that the wider Commidare group probably could have bankrolled them itself, without State assistance. The Garvey family also received a €336,000 dividend from the group. This was within the rules of the support schemes. Arguably it may be outside the boundaries of the public's expectations.

It isn't just family businesses that have been paying dividends while claiming Covid subsidies. Prometrics Ireland, which operates the State contract for Ireland's driver licence theory tests, sent a €1.25 million cash dividend last year to a Maltese tax resident group company.

This entity then bundled it up with the proceeds of the sale of a UK business, and sent €4.44 million in cash to Luxembourg. Prometrics also claimed about €520,000 in Covid subsidies in 2020, and further tranches in 2021.

Payments

The company robustly defended itself when asked by The Irish Times if the dividends were appropriate in the circumstances. It denied it had paid "dividends to stakeholders or outside investors", and it linked the cash payments to the sale of the business stake in the UK. It argued it had used the grants for the purpose they were intended - to be paid to employees in their wages as the business coped with lockdown.

Krispy Kreme, the cult US coffee and doughnut chain that regularly has had sugar fiends queuing around the block at its Blanchardstown flagship, reported after-tax profits in Ireland last year of almost €1.1 million.

It claimed €121,000 in TWSS payments from the State in the first half of 2020. Yet on December 7th last year, it also chose to pay a cash dividend of €1.66 million to the UK entity that owns the Irish business. It declined to comment when asked if it would pay it back.

The Irish operation of popular international cosmetics retailer Lush, which incudes its flagship store on Dublin's Grafton Street, remained profitable in 2020. It claimed €133,000in State wage supports in 2020. Yet it also sent a €1.2 million dividend out of Ireland last year to its UK parent owner. It continued to take further State supports in 2021.

Sicon, the holding company for the country's largest builder, John Sisk & Son, shrugged off the impact of the pandemic last year to post revenues of €1.5 billion and profits of more than €23 million, while it had cash of €273 million. It also claimed State wage subsidies last year, according to TWSS and EWSS records, although they are not precisely outlined in its accounts – it does declare €2.7 million of "grant income".

The group paid a €10 million dividend to members of the wealthy Sisk family that own the business.

> **The two schemes together have cost taxpayers about €5.7 billion so far in what is the single biggest Government intervention in the economy in the pandemic**

Donohoe has highlighted that some companies have chosen to return State subsidies that they "didn't need as much as they thought they would". CRH, for example, returned its State subsidies late last year.

Months later, it might have been awkward for CRH to defend the subsidies when it was revealed it paid its chief executive, Albert Manifold, a salary in 2020 of more than €11 million.

The company that publishes The Irish Times has said it is returning €3 million in wage subsidies, as it is the "right thing to do" because the payments were intended for companies in distress – most newspaper publishers have performed well in the pandemic.

Grafton Group, the owner of Woodie's DIY, sent its subsidies back after it had a bumper summer last year. Goodbody stockbrokers returned its subsidies, ahead of its sale to AIB and any payout for its owner executives.

Figures

Revenue does not have exact figures for the subsidies that have been returned by companies that decided they simply didn't need them. Subsidies may also be returned for other reasons, such as errors made when claiming them, or subsequent ineligibility. But Revenue runs a voluntary system for companies that want to "reverse" out of EWSS.

In total, Revenue says 22,770 employers returned payments received under TWSS of almost €254 million, for a variety of reasons. About 3,000 employers have returned subsidies received under EWSS of more than €91 million: "The process for returning subsidy payments to Revenue is the same regardless of the reasons why the payment is being returned," it said.

There also has been uproar in other countries, such as Canada, Australia and New Zealand, over companies claiming State supports while paying cash dividends to shareholders.

"I would emphasise that the vast majority of companies needed the employment wage subsidy scheme," said Donohoe on Wednesday, in response to a grilling from Labour TD Nash.

"Some companies who found out that they have not needed it as much as they thought they would, have returned it to the Revenue Commissioners. I want to recognise that here this evening, thank them for that and ask other companies to consider the practice that their peers have engaged in."

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PTSB seeks approval to take over €6.8bn loans from Ulster Bank

Major deal would increase State-controlled bank's loan book by almost 50%

Competition and Consumer Protection Commission notified of transaction

JOE BRENNAN

Permanent TSB (PTSB) has started the process of seeking approval from the State's competition watchdog for a transformational deal to increase its loan book by almost 50 per cent with a portfolio purchase from Ulster Bank.

Ulster Bank's parent NatWest Group agreed last week to sell €6.8 billion of the Irish unit's mortgages and business loans to PTSB, as it advanced a plan to exit the Republic after years of sub-par profit returns. The deal also involves PTSB taking over 25 of Ulster Bank's 88 branches and NatWest accepting a 16.7 per cent stake in the Irish State-controlled lender as part payment.

The Competition and Consumer Protection Commission (CCPC) was notified of the planned transaction on Wednesday, according to a filing on the authority's website. Interested parties have been given until January 4th to make submissions.

The CCPC has already signalled that it will be applying a robust test to plans by the three remaining retail banks in the State to carve up the loan books of Ulster Bank and KBC Bank Ireland, as the two overseas-owned lenders withdraw from the market.

The departing lenders accounted for about 25 per cent of mortgage lending in 2020, while Ulster Bank is estimated to have held a steady share, of about 20 per cent, of the SME market in recent years.

The CCPC decided in October to launch a full phase-two investigation into Bank of Ireland's planned purchase of KBC Bank Ireland's mortgage-focused €9 billion of performing loans, in order to ascertain if it would lead to a "substantial lessening of competition in the State".

Ulster Bank chief Jane Howard: agreed sale of €4.2bn of loans to AIB

Ulster Bank chief executive Jane Howard told the Oireachtas Finance Committee earlier this month that she expected to hear "sometime in January" whether the CCPC will also start a phase-two assessment of the bank's agreed sale of €4.2 billion of corporate loans to AIB.

AIB is also known to be in talks to acquire Ulster Bank's €6.5 billion of tracker mortgages, where customers' borrowing costs are linked to the European Central Bank's main rate.

Some of the country's non-bank lenders are closely monitoring the CCPC assessment of the flurry of deals among the mainstream banks. Non-banks may be presented with opportunities if banks are required by the authority to sell on parts of the loan books being traded, in order to secure regulatory clearance for their planned deals, according to industry observers.

Chris Hanlon, the chief executive of First Citizen Finance, one of the largest non-bank consumer finance firms in the State, said earlier this month he would "definitely" be interested in loans that the retail banks may be required to divest.

His company, which is currently focused on car finance as well as lending to the agriculture, SME and commercial real estate sectors, is actively considering entering the mortgage market to take advantage of opportunities posed by the exits of Ulster Bank and KBC Ireland.

Flutter pays €1.9bn for Italian betting firm Sisal

CIARA O'BRIEN

Paddy Power owner Flutter Entertainment has acquired Italian online gaming operator Sisal for €1.9 billion, giving the company a bigger foothold in the Italian market.

The price is payable in cash on completion of the transaction, and includes full repayment of all Sisal's debt. Flutter will finance the deal through additional debt facilities agreed with Barclays Bank.

It is expected to complete in the second quarter of 2022, and is subject to merger control clearance and other approvals.

Milan-headquartered Sisal is a leading betting, gaming and lottery operator, employing about 2,500 people. Revenue for 2021 is expected to reach €694 million, with consolidated earnings before interest, tax, depreciation and amortisation of €248 million, with 90 per cent of that coming from its Italian operations. The remaining 10 per cent comes from regulated lottery operations in Turkey and Morocco.

Italy is the second largest regulated gambling market in Europe after the UK, with a total estimated gross gaming revenue in 2019 of €19 billion. The pandemic has led to an increase in online operators' share of total Italian gross gaming revenue over the past two years, growing from 10 per cent in 2019 to about 20 per cent. The Italian online market is projected to be worth €4.3 million by 2024; Sisal's online market share is currently 11.9 per cent, which when combined with Flutter's existing assets will bring the total to about 20 per cent.

'Gold medal'

Flutter chief executive Peter Jackson said the company was looking to attain "a gold-medal position" in the Italian market. "For some time we have wanted to pursue this market opportunity. Sisal has grown its online presence significantly in recent years, aided by its proprietary platform and commitment to innovation. I'm excited to see how Flutter can complement these capabilities through our scale, differentiated products and operational capabilities."

The deal will also see Flutter's recreational customer base grow by 300,000 online average monthly players and more than 9.5 million retail customers.

Kilkenny Design operates 17 retail outlets and five cafés. PHOTOGRAPH: NICK BRADSHAW

Kilkenny Design revenues fall €15.3m due to pandemic

GORDON DEEGAN

Kilkenny Design sustained a €15.27 million hit to revenues last year due to the impact of the pandemic.

New accounts for the group's holding company, Clydaville Holdings Ltd, show the family-owned retailer recorded a pretax loss of €2.27 million in the 12 months to the end of January 31st this year.

The chief factor behind the loss was a non-cash writedown of €2.4 million reflecting the reduced market value of group-owned buildings.

Revenues for the year fell by 45 per cent from €34.15 million to €18.88 million.The group also incurred €569,492 in reorganisation costs.

Kilkenny Design operates 17 retail outlets and five cafés across Ireland, some of which are co-located. It also runs a growing online business. Last year, it recorded operating profits of €765,227, down 8.5 per cent on 2019.

> **Family-owned retailer recorded a pretax loss of €2.27m in the 12 months to the end of January 31st this year**

The group achieved the operating profit after benefiting from "other income" of €3.4 million, which a spokeswoman confirmed "is made up predominantly from all the various subsidies and grants provided by the Government to the business".

Evelyn Moynihan, who was appointed chief executive in April, said: "The pandemic-induced closure of stores and restaurants, with city centre workers working remotely and the absence of international tourism all impacted turnover in 2020."

She said the business had focused on ecommerce, and had innovated in areas such as virtual reality. When this was combined with investment in its outlets, in technology and in logistics, some of the revenue decline was mitigated.

In a report accompanying the accounts, directors noted the company had been cash positive during 2021 and is "very confident" it will "return to formal business activity levels over the course of FY22 without incurring any long-term negative effect" on its financial position.

The business availed of relief on loan repayments to lenders for six months last year, while also availing of Government supports.

"This has had a very positive impact in countering the downturn in income for the period," the directors said.

Directors' pay last year decreased by 37.5 per cent from €508,076 to €317,921.

Dunnes Stores workers receive 10% pay rise

BARRY O'HALLORAN

Dunnes Stores is making a 10 per cent Covid bonus part of its workers' basic pay following a campaign backed by trade union Mandate.

The retail chain paid almost 10,000 staff for remaining on the shop floor during the pandemic.

Mandate confirmed yesterday that Dunnes had added the 10 per cent bonus to workers' basic wages, giving them an effective pay rise.

Jonathan Hogan, Mandate's assistant general secretary, explained the move meant the 10 per cent would be pensionable and would be payable when workers took annual leave.

"The 10 per cent is now part of the basic rate, it will increase their rate of pay going forward," said Mr Hogan.

Dunnes' workers last received a pay increase in 2019, according to the Mandate official.

The union lodged the claim for the 10 per cent with the company in March 2020 at the outset of the pandemic.

Dunnes added it as a temporary measure, but Mandate members led a campaign to make it part of workers' basic rate. The company does not recognise Mandate for collective bargaining, according to Mr Hogan, who said the increase was a "remarkable victory".

Worker and Mandate Dunnes national committee member Cathy McLoughlin said staff were delighted to see the 10 per cent rise on their payslips when they received them yesterday. "I know lots of my colleagues are struggling to pay bills after rent and house price increases, along with fuel increases. So this is a very welcome Christmas present for them," she added. "This pay increase wasn't just handed to us from nowhere. We had to fight for it, and we've got our just reward."

She urged Dunnes workers not in the union to join, arguing there was still more to be achieved.

Ronan fights Appian Way plan refusal

GORDON DEEGAN

Developer Johnny Ronan has made a bid to overturn the planning refusal for his contentious plan for a 10-storey-over-basement build-to-rent apartment scheme in Dublin.

Mr Ronan's RGRE and J&R Valery's Ltd have lodged an appeal with An Bord Pleanála against Dublin City Council's refusal for the 44-unit scheme on a site at the junction of Leeson Street Upper and Appian Way.

Dominant effect

As part of a comprehensive refusal against the 29 studio and 15 one-bedroom apartment scheme, the council refused permission after finding the scheme's excessive height, scale and density on a small, visually prominent site constituted over-development.

It concluded RGRE and J&R Valery's Ltd's scheme would have an unreasonable overbearing, visually dominant effect on adjoining sites.

However, planning consultants for the applicants, John Spain & Associates, have contended the proposal would provide "a quality build-to-rent residential development in an existing urban area adjoining high-quality public transport".

Mr Spain said the scheme design "creates a high-quality feature building at this prominent corner site and key gateway to Dublin city centre".

The submission further contended the height "contributes to the wider streetscape and urban form of the area" and also "provides much-needed accommodation in a highly accessible area well served by public transport".

Height

Mr Spain acknowledged the height of the scheme, at 34.4m, is higher than the city development plan standard.

However, he said given the location of the site adjoining the Leeson Street/N11 quality bus corridor, the height of the building is appropriate in relation to supporting increased densities in well-served urban areas, in accordance with national planning policy.

However, Armstrong Planning, on behalf the Upper Leeson Street Area Residents' Association, told the city council it objected "in the strongest possible terms on the grounds that the height, form and scale of the scheme . . . is completely out of character with the local built form and as such would militate against the principles of proper planning and development of the area".

In one of 12 objections lodged against the scheme, Armstrong Planning said the 34.4m height "is simply too high for the site in such close proximity to nearby residences".

A decision is due on the appeal in April.

Caveat

Mark Paul

Businesses with super profits don't need taxpayer help

A public furore ensued over the last 10 days after this newspaper revealed that many companies claiming taxpayer Covid subsidies were also seemingly able to afford large cash dividends for their shareholders.

But they are not the only ones claiming State assistance they clearly did not need to get by. The payment of a cash dividend is not the only marker of a successful year in business.

In May 2020, Pat McDonagh, the wealthy founder of the Supermac's chain of fast-food outlets, appeared on RTÉ Radio 1 in a memorable interview with presenter Sarah McInerney.

He was complaining about the perceived generosity of the State Covid assistance scheme for displaced employees, the Pandemic Unemployment Payment (PUP), which paid workers €350 per week.

McDonagh, whose workforce includes a large cohort on the minimum wage, glibly suggested on air that going on the PUP was like "winning the Lotto" for some workers.

McInerney, in her inimitable fashion, grilled him like one of his burgers and the businessman was widely panned for his comments.

But the Galway man is a redoubtable character and not the sort to let a little bit of public criticism keep him down.

Since that RTÉ radio interview, the businessman has doubled down on his criticism of the generosity of State Covid payments to workers. In recent months, he suggested that the PUP has made Irish workers "lazy".

In another interview with the Mail on Sunday about the risk of foreign PUP claimants taking payments while abroad, he made comments that also could be applied more generally: "In two or three years' time when all this has to be paid back, somebody is going to be saying: 'Why did we waste money at the time?'"

Why, indeed, did we waste money on certain taxpayer-funded Covid payments? McDonagh is correct about that, especially if the same logic is applied to State payments to businesses, which he has never criticised to the same degree as he has the payments to workers.

Generosity

Supermac's Holdings, the group that owns McDonagh's fast-food interests and hotels, claimed taxpayer-funded Covid payments last year of well north of €6 million, its accounts suggest.

This includes wage subsidies to his fast-food business and hotels, and also payments under the Covid Restrictions Support Scheme (CRSS), which applied to his hotels when their trading was restricted.

McDonagh's business was perfectly entitled to claim these payments, just as many workers were entitled to claim the PUP.

But there is no doubting the generosity of the taxpayer-funded payments to McDonagh's companies because it is abundantly clear that it could have managed perfectly well without them. It made profits in 2020 of €22.9 million, only 6.5 per cent down on 2019.

McDonagh's group of companies recorded revenue of €141.5 million last year, a significant 25 per cent decline on 2019. But the damage was limited by a near €6 million jump in "other income".

In the three years prior to the pandemic, "other income" typically ranged from €2.1 million to €2.5 million. The accounts confirm that "other income" in 2020 was boosted by CRSS and Employment Wage Subsidy Scheme (EWSS) payments.

On top of this, McDonagh's companies also received unspecified Temporary Wage Subsidy Scheme (TWSS) payments, which are docked off its wage bill to give a net total of almost €23 million. Wage payments were down by about €16 million or 41 per cent on the previous year, but staff numbers were down by only about 26 per cent or more than 500 workers.

This makes McDonagh's companies' TWSS receipts impossible to calculate precisely. But if the wage bill fell by twice the level of employees lost, it can be assumed that a large chunk of the cash saved came from taxpayer subsidies.

It would not be a huge surprise if the total of taxpayer TWSS, EWSS and CRSS payments received by McDonagh's companies last year was close to €10 million.

Yet it generated €29.6 million in cash from its operations in 2020, it made profits of almost €23 million and it had net assets of €164 million. McDonagh's business did not pay him a dividend last year, but records show it has continued to claim State subsidies in 2021, even after such a financially successful 2020.

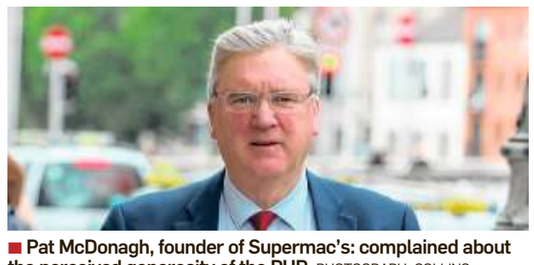
> **Supermac's Holdings, the group that owns Pat McDonagh's fast-food interests and hotels, claimed taxpayer-funded Covid payments last year of well north of €6 million, its accounts suggest**

It is obvious that his group was legally entitled to claim its subsidies. But it is also perfectly obvious that it would have muddled through just fine without taxpayer help, with McDonagh's fast-food operation subsidising his hotels instead of the State doing so. There are many other businesses in similar positions.

It can be argued that the wage subsidies, in particular, were designed to prevent job losses. But as McDonagh has repeatedly argued himself over the past 18 months, his problem in business is an acute lack of staff, not an excess of them.

Minister for Finance Paschal Donohoe this week complained that the law does not allow him to reclaim State Covid subsidies from businesses that went on to perform extremely well financially while on taxpayer-funded corporate welfare. Yet he is the politician who introduced that law; he tied his own hands.

So why doesn't he untie them, and change the law to better protect the interests of taxpayers when paying subsidies to thriving companies in future?



Pat McDonagh, founder of Supermac's: complained about the perceived generosity of the PUP. PHOTOGRAPH: COLLINS

BusinessToday

Watchdog asked to investigate dividend payment by firms taking Covid supports

Dáil committee urged by former member to examine State wage subsidies

Government does not know how much taxpayers have paid to businesses

MARK PAUL
Business Affairs Correspondent

A former member of the Committee of Public Accounts (PAC), the Dáil's State spending watchdog, has asked it to investigate the payment of taxpayer-funded Covid supports to businesses that subsequently distributed cash to shareholders in the form of dividends.

Ged Nash, a Labour TD who served on the PAC between 2012 and 2014, last month wrote to Sinn Féin's Brian Stanley, the committee's current chairman, asking it to undertake an "an urgent examination" of the terms of the State's employment wage subsidy schemes (EWSS) and its temporary predecessor, the TWSS, which have paid about €9 billion towards the wages of employees in pandemic-hit businesses.

Mr Nash wrote to the PAC following a series of reports in The Irish Times about companies that had taken State subsidies while also making payments to shareholders, including O'Flaherty Holdings, the company with the Mercedes franchise for Ireland. It received almost €1.8 million in subsidies in 2020 while it also sent a similar amount to its offshore shareholder entity in the same year.

The Government has since promised to examine the law surrounding the State subsidies to see if it needs to be tightened to prevent companies receiving subsidies they do not need.

In his letter to Mr Stanley, Mr Nash asks PAC to investigate the issue under six different headings, including how widespread the payment of dividends is by State-supported businesses. The Government does not know how much taxpayers have paid to businesses that subsequently rewarded shareholders. Mr Nash also asks the PAC to look into "what controls and conditions ought to be attached to such schemes in the future to prevent the possibility of abuse of the schemes and to better protect the interests of the taxpayer and the public interest more broadly".

Currently, there are no barriers to State-supported businesses paying dividends, and no method for taxpayers to claw back supports from companies that subsequently sent cash on to shareholders.

Taxpayer supports

Other State-subsidised businesses that paid dividends while on taxpayer supports include doughnut chain Krispy Kreme, which sent more than €1.6 million to the UK after getting Irish taxpayer support, and John Sisk & Co, Ireland's largest building firm, which made payment to the wealthy Sisk family. "The intended purpose of these schemes is to keep workers in employment at a challenging time for the Irish and global economy," wrote Mr Nash. "I think you will agree that the schemes were not intended to inflate the bottom line of very profitable firms."

TWSS, which was introduced at the outset of the pandemic, cost taxpayers €3 billion, while its successor the EWSS has cost about €6 billion so far.The PAC has acknowledged the issue but it has not yet indicated if it will investigate. It is likely to be considered at its next meeting.

Production growth continues to slow

MARK PAUL

Activity in the manufacturing sector is growing at the slowest rate since March, according to an index maintained by AIB. However, the bank says the sector is still performing "strongly overall".

The bank's manufacturing purchasing managers index (PMI) for December showed that production was up for the tenth month in a row but the rate of growth has slowed in six of the last seven months, after hitting an all-time high in May.

AIB said manufacturing exports from Ireland remain "subdued" during the pandemic. But it said some supply chain pressures were weakening and inflation in some input costs were beginning to ease. However, manufacturers are still passing on stiff price increases to their customers.

'Ongoing pressure'

"Capacity constraints are still very evident in the sector," said Oliver Mangan, the bank's chief economist.

"Backlogs of unfinished work continued to rise sharply. The delivery times for inputs also lengthened again, reflecting the ongoing pressure on supply chains. Not surprisingly then, firms saw a marked rundown in their inventories of finished goods."

He said the combination of strong demand, continuing disruptions to supply chains and sharp upward pressure in raw materials, energy and transportation costs, resulted in a further "marked increase" in input prices.

Breast implant maker taps shareholders for $5m

MARK PAUL

GC Aesthetics, a Dublin-headquartered breast implant maker backed by Barry's Tea, has raised $5 million (€4.4 million) from its shareholders.

The company, which is headquartered at a small office in Sandyford but manufactures abroad, raised the cash in December after a separate cash call for a similar amount in July. The company's backers also include Irish tech investor Bill McCabe, who also sits on its board. Filings by GC Aesthetics's Irish holding company show it raised the cash in recent weeks from shareholders including the Barry's Tea company; Tony Barry of the family behind the Cork tea dynasty; an Isle of Man company linked to Mr McCabe's Oyster investment group; and US private equity firm Montreux, which is the largest shareholder. The company has repeatedly tapped its shareholders for support during the pandemic, as global restrictions on movement and limits on non-emergency medical care have hampered its operations.

Covid loan

It raised a separate $5 million from shareholders in 2020, according to its accounts, and also tapped a French government-backed Covid loan scheme. Its accounts for 2020 show a deficit on its balance sheet of $277 million (€244 million). It made a loss for the year of $33 million (€29 million), while it took a $14 million (€12.3 million) hit to its revenues from the pandemic, reducing them to less than $32.8 million (€28.8 million). Mr McCabe has sat on the company's board for more than 13 years. GC Aesthetics has another Irish link in the form of its chief financial officer, David FitzGerald, who is a former executive at Glanbia and previously was managing director of the Irish operation of soft drinks company Britvic.

■ GC Aesthetics, which is headquartered at a small office in Sandyford, raised the money in December after a separate cash call for a similar amount in July. PHOTOGRAPH: GETTY IMAGES

Air travel 2021: Sector struggled due to Covid curbs

Barry O'Halloran

Uncertainty still the dominant concern for airlines and passengers

For airlines and passengers the run up to Christmas was a near repeat of 2020's festive build up. A new Covid-19 strain dampened hopes that normality was close to a return. Instead, governments, including our own, scurried back into restriction and lockdown mode, hitting travel and hospitality.

There are grounds for believing that Omicron is less likely to stall recovery than the variants that emerged at the end of 2020, not least because of the success of the vaccination campaign last year. Back at the start of last year, airlines hoped vaccines would at the very least have us all booking our sun holidays by Easter. Instead, Government demanded we spend the winter and spring cooped up, made "non-essential" travel illegal, and introduced quarantines for some incoming travellers that forced them to stay in hotels for two weeks at their own expense. Air travel began the year as one of Covid's panto villains.

The Republic's curbs were among Europe's toughest. As late as May, Tánaiste Leo Varadkar, a former transport minister, was reminding people that sun holidays were "against the law".

Travel policy

Various chief executives, including Michael O'Leary of Ryanair, Lynne Embleton of Aer Lingus and Willie Walsh of the International Air Transport Association, criticised Government travel policy. Similarly, unions representing aviation workers, the Irish Airline Pilots' Association (Ialpa), Fórsa and Siptu, all warned of the impact on their members' livelihoods. In the end, the Government relented, partly. It adopted the EU digital Covid certificate on July 19th, albeit weeks after all other member states. And some restrictions remained on non-EU travellers, including those from the UK and the US, the Republic's biggest tourist markets.

Nevertheless, it was a start of sorts. Flights in and out of the State picked up noticeably, although from a low benchmark. Their number grew 25 per cent to 393 on July 19th from 313 eight days earlier. However, the total was still almost two-thirds lower than the 955 journeys recorded on the comparable day in 2019, the year before the pandemic struck. Flights recovered to about half of pre-Covid levels through the rest of the summer.

Three days before Christmas, figures from Eurocontrol, the EU organisation of air traffic control organisations, showed 582 aircraft travelled in or out of the State, 74 per cent of the 783 total reached on the same day in 2019. Even so, the Republic continued to lag Europe, where numbers were just 11 per cent short of pre-Covid totals. It was all too late for some. Stobart Air, operator of the Aer Lingus Regional franchise, folded in June, putting 480 people out of work and sending the total of Irish aviation jobs lost to Government Covid restrictions past 5,000. The airline had been solvent before the crisis, but its owner, British company Esken, pulled funding after failing to find a buyer on time.

Unions blamed the company's failure on Government and the National Public Health Emergency Team (Nphet), whose advice they argued was behind State intransigence on travel. Hope for at least some of those workers emerged in the shape of Stobart's successor, Emerald Airlines. That company, founded by well-known aviation figure, Conor McCarthy, had begun talks on taking over the Aer Lingus Regional franchise in December 2020. The pair struck a deal in July, and McCarthy subsequently indicated there could be opportunities for former Stobart staff.

Emerald is now likely to launch its first routes between Ireland and Britain on St Patrick's Day. The deal was evidence that airlines expected normality to begin returning.

> A new Covid strain dampened hopes that normality was close to a return

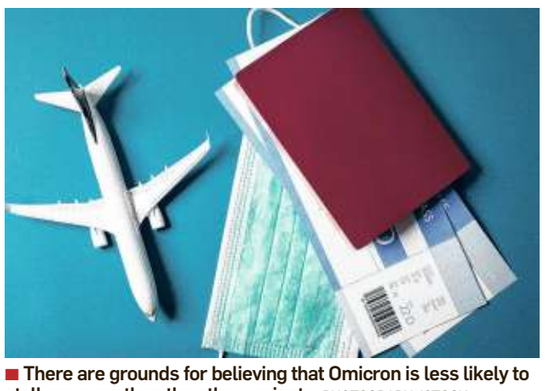
Aer Lingus had been losing €1 million a day up to reopening, but began rebuilding its schedules. In October, it announced a 2022 schedule that restored much of its transatlantic routes, a boost for tourism and business. Ryanair, meanwhile, began restoring its capacity across Europe at a faster rate than rivals. By the end of the summer, the airline was predicting it would fly 10 million passengers a month through the autumn.

In the Republic, Ryanair announced that it would restore pre-Covid services at Cork and Shannon airports from next year. It held back on Dublin until the Government announced €90 million cash aid for airports in the budget. Following that, Ryanair signalled it could step up plans next year for Dublin Airport, where it and Aer Lingus are the biggest players. Last month, O'Leary told industry analysts that his airline could fly more than 160 million passengers in the 12 months to March 31st, 2023, its next financial year. By then it was cutting seat prices sharply to exploit the recovery in air travel, a move it calculated could leave it with losses of up to €200 million in the current financial year. Ryanair is also taking delivery of 65 Boeing Max 737 aircraft up to next summer. As the only carrier expanding its fleet in Europe at this rate, O'Leary predicted that it would be in pole position to exploit opportunities left by competitors forced to cut their fleets or wind up by the pandemic.

While the Omicron strain has not changed the longer-term picture, the arrival of the new variant and the short-lived red-listing of a number of states by countries including Ireland and Britain that once again dented confidence in the sector prompted Ryanair to issue a warning days before Christmas that losses could be between €250 million and €450 million as bookings fell in the face of new travel restrictions.

The airline also said it would cut January's scheduled capacity by 33 per cent and left open the possibility that it would take similar steps in February and March. However, this depends on further developments with both Covid's latest variant and European governments' responses to that.

The outlook on both now looks less grim than in the weeks up to Christmas. However, uncertainty continues to be the dominant concern for Ryanair, all other airlines and, of course, for passengers.



■ There are grounds for believing that Omicron is less likely to stall recovery than the other variants. PHOTOGRAPH: ISTOCK

Economics

Tim Harford

Drive a gas-guzzler, buy a coal mine and use reverse logic

Readers with long memories may recall the brief, inglorious UK fuel shortage of a few months ago, which was mostly caused by the rush to refuel for fear the pumps would run dry.

Some petrol stations imposed a limit on how much you could buy – say £25 of fuel and no more.

It seems sensible enough, but a friend of mine (an economist) suggested this was the opposite of what was really needed.

A maximum purchase encouraged more visits and more queues. Instead, petrol stations should've imposed a minimum purchase: nobody was allowed to buy fuel if their tank was more than a quarter full.

One can imagine snags and problems with implementing this rule, but the principle is delightfully elegant.

Queues would disappear, as only people who actually needed fuel would be allowed to buy it. The self-fulfilling shortage would disappear. The solution is not to demand that drivers buy less fuel, but to insist they buy more.

Here's a thought

All this set me wondering about other problems we could fix by reversing the usual logic and doing the exact opposite of what one might expect.

Here's a thought: environmentalists should fight climate change by buying coal mines. Coal is the most carbon-intensive of all mainstream fuel sources, so any response to climate change is going to involve closing coal mines.

An environmentalist organisation could do this by buying them and shuttering them. This idea was proposed in 2012 by the economist Bård Harstad. Another economist, Alex Tabarrok, recently pointed to a coal mine for sale for less than $8 million in West Virginia. It had eight million tons of coal reserves, capable of producing about 20 million tons of carbon dioxide. Preventing the emission of several tons of CO_2 per dollar spent is an insanely good deal. The idea only works if people don't open new coal mines in response to the demand, but why would they?

Coal mining is a dying industry. If you can mothball a mine for a few years, the chances are it will stay closed for ever.

Stalled progress

During the switchover to electric vehicles, a similar logic applies to old cars.

If you drive, but only a little, there is something to be said for buying an ageing gas-guzzler. Better for a thirsty old car to do 1,000 miles a year in your hands than 10,000 miles a year in someone else's.

Yes, an electric car would be better, but until the electric car industry is fully scaled up, let that Tesla go to someone who will use it every day.

If you want to take reverse logic still further, let's talk about queues. The problem with queues is obvious: they waste time. Less obvious is that each queuer is getting in the way of everyone behind them. If someone gives up and walks away, everyone behind them benefits. Imagine a line of Christmas market stalls serving hot chocolate, mulled wine, mince pies and other seasonal comestibles. People stroll along the row of stalls, keen to enjoy a warming treat on a winter's day. The problem is that every stall has a queue. One person a minute is served, and people are willing to wait for up to 10 minutes. If there are already 10 people in line, they keep walking. This common-sense way of queueing is a disaster. Each queue will be near the maximum length, otherwise people would quickly join it.

Each stall operates at capacity, but nobody gets their mulled wine without waiting around until the very limits of their patience.

What does reverse logic tell us about this problem? Steven Landsburg, the author of the classic The Armchair Economist, proposes an alternative rule: those that are last shall be first. Each new person who joins a queue goes to the front, standing immediately behind the person being served.

Natural justice

This is, of course, an outrage against reason, intuition and natural justice. It is also highly efficient. If you're next in line to be served, but someone shows up and shoehorns herself into position in front of you, you walk away.

The line is only going to get longer, and you're always going to be at the back.

Under the Landsburg system, the stalls still serve one seasonal treat a minute, but the queues are short.

> All this set me wondering about other problems we could fix by reversing the usual logic and doing the exact opposite of what one might expect

Alas, the Landsburg rule can only be imposed in controlled environments such as a theme park, perhaps.

But you might consider applying a dose of Landsburg's logic to your own "to do" list: don't add a new item to the list unless you're willing to do it immediately.

A little impractical, yes, but also bracingly realistic. If it's not important enough even to be the top priority right now, maybe it will never be the top priority, and it shouldn't be sitting on your "to do" list at all.

Is there something about economists that makes them particularly attracted to reverse logic? Perhaps. Two classic ideas in economics are Frédéric Bastiat's "things seen and things not seen" and Adam Smith's "invisible hand". These ideas point to the way in which economists think: obvious and direct changes unleash indirect and less-than-obvious consequences.

Let the psychologists keep their reverse psychology; we'll enjoy our reverse logic. – Copyright The Financial Times Limited 2022

It's hard to think any sport endured a worse reputational ride in 2021 than racing. So perhaps some suggestions for a happier 2022 are in order **Sports Monday**

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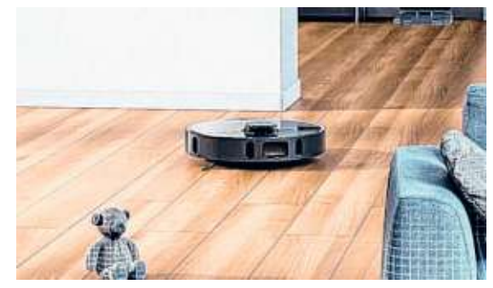
Matching tech talent with companies
New Innovator, page 16



A robotic vacuum that doesn't suck
Tech Review, page 17

Nearly €270m in State wage supports paid to firms that filed dividend returns

Revenue figures show 641 subsidised companies 'made some form of distribution'

Returns do not say whether the dividend was paid in cash or shares

MARK PAUL
Business Affairs Correspondent

About €267.8 million was paid by the State last year in pandemic wage supports to businesses that may also have paid dividends, according to an analysis by the Revenue Commissioners.

Niall Cody, the chairman of Revenue, revealed the figure in a note to the Public Accounts Committee (PAC) in February after it asked him for details of businesses that made payments to shareholders while they were receiving taxpayer support.

Mr Cody said Revenue did not have enough "readily available and analysable data" on subsidised companies that also paid dividends. He said Revenue had, however, conducted a "short exercise" analysing payments to companies that also filed returns for dividend withholding tax (DWT).

Revenue found that 641 companies that claimed the €267.8 million in employment wage subsidy scheme (EWSS) also filed for DWT, advising tax authorities of "some form of distribution" to shareholders. However, DWT returns do not say whether the dividend was paid in cash or shares, and so it "was not possible" to say how many of them had made payments to shareholders, Mr Cody said.

'Business decision'

John Hogan, the secretary general of the Department of Finance, also wrote to the PAC in February about the issue, following weeks of political controversy after The Irish Times revealed several prominent businesses had paid cash to shareholders while on State support.

Mr Hogan said it was important to note the wage subsidy schemes were "introduced and developed in extraordinary times" and were emergency measures whose longevity was not foreseen. He said the laws underpinning wage support schemes made no mention of the payment of dividends and such payments were "primarily a business decision".

€10bn
The pandemic wage subsidy schemes cost taxpayers over €10 billion

In the normal course of events, if a company made a profit, shareholders would be entitled to seek a dividend," he wrote. Mr Hogan said it was "unclear" if a dividend ban on subsidised companies would be effective because they could just delay dividends to a later date or stay out of wage subsidy schemes, which might impact on staff.

'Deaf ears'

The PAC correspondence was recently released to Labour TD Ged Nash, the party's spokesman on finance. He has called for a full PAC investigation of the management of the pandemic wage subsidy schemes, which cost taxpayers over €10 billion.

Mr Nash, who says the State made a mistake by not linking wage subsidies to a dividend ban, has proposed an amendment to the Covid finance Bill currently making its way through the Dáil, calling on the Minister for Finance, Paschal Donohoe, to commission a report on the management of the schemes.

Mr Nash said warnings about the danger of subsidised companies paying cash to shareholders had "fallen on deaf ears" at the Department of Finance and he queried why Ireland had not introduced a dividend ban while some other EU countries had done so.

"Serious lessons need to be learned from the management of this process," he said. "Some companies took subsidies and then paid dividends, while some workers who received the subsidies are pursued for tax bills on it. The contrast in treatment is there for all to see."

Companies that paid dividends while on State subsidies include Newbridge Silverware, Krispy Kreme and the O'Flaherty motor group.

Net results

Karlin Lillington

Is Ireland not pulling its weight when it comes to applying the GDPR?

The incoming Digital Markets Act (DMA) and Digital Services Act (DSA) are two of the EU's most significant pieces of digital-era legislation. But a set of key protections in the latter risks being lost during final negotiations this week.

The two Acts place fresh regulatory structure around digital services, with the DMA focused on enlarging competition and responsibility for market-dominant players (tech giant "gatekeepers") and the DSA on ensuring greater transparency, safety and consumer protection from service providers.

As with the EU's General Data Protection Regulation, both have been closely watched internationally. Their final formats will provide industry guardrails that will determine how multinational "gatekeeper" platforms and other digital service providers function in Europe, and by extension, the world. As with the GDPR, it will prove difficult for companies to comply with European regulations and not offer services to a similar standard elsewhere.

Hence, some of the enormous EU and international pressures on these flagship acts. The DMA is now baked, having received general approval from the European Parliament in March. But the DSA is still, just barely, in play.

As the negotiating deadline looms, the European Council under the French presidency has been pushing against the European Parliament to water down several sections that contain some of the more important provisions of the Act – areas that would have direct guiding effect in member state legislation, such as Ireland's proposed online safety Bill.

BEUC, the European consumer rights organisation, has written an open letter to the French EU presidency, highlighting its alarm.

Dark patterns

"It is with concern that we have seen important consumer-relevant provisions watered down in recent compromise proposals put forward by the French presidency, notably in relation to the obligations of online marketplaces, online advertising and dark patterns," the letter states.

The besieged DSA provisions include those barring platforms from using deceptive "dark pattern" website designs which manipulate users towards commitments and information disclosures. In particular, children's rights campaigners bridle at the proposed weakening of dark pattern protections for minors.

Another worry is the intention to drop a commitment to protect children from online targeted advertising and tracking. Negotiations have pushed for better safeguards for all against such hidden data-gathering and exploitation but, at the very least, minors must be defended against this digital subterfuge.

BEUC also argues for spot checks on the quality of goods provided by online marketplaces. Bemoaning the failure of the DSA to introduce stricter platform liability for illegal goods, which BEUC terms "a missed opportunity to act more decisively against the lax approach that online platforms often take against illegal activities such as the sale of unsafe products", the group wants an obligation for online marketplaces to do random quality checks.

These critical steps tackle some of the most pressing problems in the online manipulation of consumers, especially, children. And yet, the response from the council has been to argue that all these areas are already covered in other legislation, specifically, the GDPR and the unfair contract terms directive.

This is a ludicrous claim. If either contained adequate safeguards in these areas, they would be widely used to address and prevent such problems. According to solicitor Simon McGarr of Data Compliance Europe and Digital Rights Ireland, neither of those laws adequately covers these areas.

'Stalled ideas'

"We have laws on the books which can laboriously be used to ban some of the outcomes of dark patterns, but it would be a lot easier for regulators and consumers alike if the dark patterns themselves were forbidden," he says.

He also notes that some of these provisions were planned for the stalled eprivacy directive, intended as GDPR companion legislation and target of some of the heaviest industry lobbying in EU history. "In effect, the proposed amendment would import some of those stalled ideas on consent which had been expected to have been addressed four years ago," McGarr says.

German MEP Alexandra Geese, a leading DSA parliamentary negotiator, says: "Consent is a crucial concept in GDPR. It should allow users to share data only when they are comfortable with doing so. But today's consent frameworks don't allow users to do that.

> **There's little time to ensure the DSA gets the legal heft it needs. Hopefully, parliamentary negotiators will prevail**

"While it is very easy to click to give consent, it is close to impossible or at least extremely time-consuming to refuse consent. Users are systematically misled."

And while she notes that GDPR should protect internet users from practices that habitually force them to divulge personal data in exchange for services – data often sold on to hundreds of data brokers – she says that "unfortunately GDPR is not consistently enforced".

In her view, "enforcement is particularly poor in Ireland where Google and Facebook and most other major tech companies are based. This gives those platforms a competitive advantage over companies based in other countries where GDPR is consistently enforced." Ouch.

That's an indication of parliamentary sentiment towards a need to legislate around what they see as a major GDPR roadblock – Ireland.

There's little time to ensure the DSA gets the legal heft it needs. Hopefully, parliamentary negotiators will prevail, clearing the way to a better online environment for all.

Netflix shares slip 35% after drop in subscribers

HARRIET CLARFELT

Netflix shares fell 35 per cent yesterday, in a sell-off that wiped out $54 billion (€50 billion) in market value, after it reported a surprise decline in its subscriber base.

Netflix closed at $226.19 in New York, extending its drop this year to 62 per cent making it the worst performing stock in the S&P 500 and the Nasdaq 100 indexes. The shares posted their biggest drop since October 2004.

Netflix said late on Tuesday its decade-long run of subscriber growth had drawn to an end in the first quarter of 2022 and that it had become "harder to grow membership" in many markets.

The streaming company projected in its earnings update that subscriber numbers would drop by another 2 million in the current quarter, having already fallen about 200,000 in the previous three months.

Advertising

The "sea change quarter" prompted JPMorgan to cut its recommendation on Netflix from "overweight" to "neutral", with analysts at the US bank flagging up concerns over account sharing, market saturation and mounting competition.

"Those who have followed Netflix know that I've been against the complexity of advertising, and a big fan of the simplicity of subscription," said Netflix chief executive Reed Hastings. "But, as much as I'm a fan of that, I'm a bigger fan of consumer choice."

Netflix offered a gloomy prediction for the spring quarter, forecasting it would lose 2 million subscribers, despite the return of such hotly anticipated series as Stranger Things and Ozark and the debut of the film The Grey Man, starring Chris Evans and Ryan Gosling.

Mr Hastings told investors that the pandemic had "created a lot of noise," making it difficult for the company to interpret the surge and ebb of its subscription business over the last two years.

Now, it appears the culprit is a combination of competition and the number of accounts sharing passwords, making it harder to grow.

"When we were growing fast, it wasn't a high priority to work on," Mr Hastings said of account-sharing in remarks during Netflix's investor video.

"And now we're working super hard on it."

 Additional reporting Reuters, Bloomberg

■ The majority of Irish consumers now fear economy will be weaker in 12 months' time.
PHOTOGRAPH: DARA MAC DÓNAILL

Consumer sentiment falls to 18-month low

EOIN BURKE-KENNEDY

Irish consumer sentiment fell to an 18-month low in April as concerns about living costs intensified.

The latest KBC Bank Ireland index recorded another sharp month-on-month drop in sentiment as consumers worried about their future spending plans and the worsening economic outlook generally.

"For Irish consumers, the prospect of a larger and longer lasting surge in living costs coupled with the horrific human and social consequences of war in Europe has understandably cast a dark shadow over recent sentiment readings," KBC Bank economist Austin Hughes said.

The lender's sentiment survey fell from 67 in March to 57.7 in April. The index now stands well below its long-term average of 86.6, signalling a "very nervy Irish consumer", KBC Bank said.

"In contrast to the drop in confidence seen in the March survey where 'macro' nervousness dominated, the weakest elements of the April survey were those focused on household finances and spending, suggesting increasing strains in making ends meet," Mr Hughes said.

He also noted that the cumulative 24-point decline in the survey over the three months from February to April was the second largest on record and exceeded only by the collapse in sentiment triggered by the initial impact of the pandemic.

SMEs

Separate research from accountancy body ACCA and Grant Thornton meanwhile found that 15 per cent of Irish-based SMEs are expecting to lay off staff when the employment wage subsidy scheme comes to an end due to the rising costs.

The research, which reflects the views and outlook of 8,000 SMEs across a range of sectors, found that costs on average for SMEs have risen by 25 per cent which is having a major impact on profitability and the ability to meet payroll demands.

The survey also found that 40 per cent of small businesses have had to pass on increased costs to the consumers and businesses they serve.

The latest barometers of sentiment come as headline inflation in the Irish economy surged to a 22-year high of 6.7 per cent and as the International Monetary Fund (IMF) slashed its forecast for global growth on the back of Russia's war in Ukraine.

The fall in Irish sentiment contrasted with an uplift in US sentiment.

The bounce in the US was attributed to a recent easing in petrol prices due to the release of oil from the US Strategic Petroleum Reserve.

Cornelscourt 419-unit scheme gets go ahead

GORDON DEEGAN

Contentious plans for a 419-apartment build-to-rent residential scheme on a site in Cornelscourt village in south Dublin have secured permission from An Bord Pleanála.

Cornel Living Ltd has won approval for the scheme fronting on to the N11 at Old Bray Road, Cornelscourt, Dublin 18, despite opposition from residents and a recommendation by Dún Laoghaire-Rathdown County Council that it be refused on five separate grounds.

More than 50 objections were lodged by local residents against the "fast track" scheme, with one of its five blocks rising to 12 storeys.

The scheme comprises 294 one-bed apartments, 111 two-bed apartments, seven three-bed apartment units and seven three-bed houses.

Cornel Living is proposing to lease 42 units to the council for social housing in line with social housing provisions.

Cornel Living was refused permission in April 2020 for a 468-unit scheme on the same site. A report lodged with the new application said a comprehensive review of the design approach has been undertaken to address the specific reasons for refusal and to ensure high levels of residential amenity, enhanced quality and quantity of open space.

The council had recommended refusal across a number of headings, including height, the scheme's visual impact and lack of quality space.

The appeals board inspector, Una O'Neill, said she was satisfied the development was "reflective of good contemporary architecture and provides a high-quality design approach".

She noted that in excess of 10 per cent of the site area has been proposed as open space and that "the open space proposed to be of exceptional high quality", and also concluded that the scheme would make a positive contribution to the skyline of the area.

Dunne closes six gyms over 'horrendous' Covid-19 impact

Businessman says fitness group unlikely to return to pre-Covid profit figures

GORDON DEEGAN

Businessman Ben Dunne said Covid-19 has forced him to closed the doors permanently at half of his gym empire. He described the Covid-19 business impact on his fitness business as "horrendous".

"I'll give you an insight into what Covid has cost us. We had 12 clubs, we now have six clubs. Our revenues are less than 50 per cent of what they were pre-Covid," he said.

In an interview, Mr Dunne said the business had been heading towards €13 million in revenue pre-Covid "and in the current year we are heading towards €6 million".

But he said the group would make money in its current financial year which ends in May, and forecast profit growth next year.

The gyms that have closed were located in Lucan, Jervis Street, Beacon and Sandyford in Dublin, along with Navan and Waterford. That leaves him with gyms in Blanchardstown, Northwood, Carlisle, Cherrywood, Navan and Portlaoise.

Asked why he took the decision to close down the gyms, Mr Dunne said "they were showing a terrible trend".

"If I had the overheads that I had, you wouldn't be talking to me because there would be nothing to talk about. I had to get my overheads under control."

He expects business to improve over the next three years at the slimmed-down gym group but he does not expect to return to pre-Covid levels of business.

"We were making operating profits of €6 million a year: in my lifetime we won't be back at €6 million."

He is exploring the addition of kids' zones to some gyms to increase revenue in a business that he says is now "survival of the fittest".

Mr Dunne made his comments after his Barkisland (Developments) Ltd business, which operates a number of the gyms, filed accounts for the year to last May.

Revenue, mostly membership income, plunged 91 per cent from €5.66 million to just €494,840 in a period when lockdowns affected the ability of the business to operate. The company fell to a pretax loss of €1.55 million from a profit of €1.26 million in the prior year.

Ben Dunne gyms were closed for most of the period from March 2020 to June 2021 and since resuming trading in June 2021 they "are trading strongly".