MONEY \star MONEY



Derek Madden's prime problem

FANS OF Goldhawk with long memories will recall an interesting little bioenergy company called Prime Energy Power Ltd (PEP), where Nicholas

O'Dwyer of Grant Thornton was installed as liquidator after it ran out of moolah (see The Phoenix 20/4/2018). The principal player here, Derek Madden, has now been restricted for five years under Section 150 of the Companies Act. It also turns out that the shareholders and unfortunate



investors brought on board lost a whopping €13.5m.

The listed directors of PEP were Galway native Madden and Finnish businessman (and

the company's vice-chairman) Rainer Haggblom - an associate of moneybags paper mogul Dermot Smurfit, who at one stage had a stake in the operation

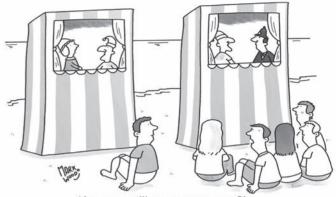
Set up in 2009, PEP was a biomass energy operation that specialised in the construction of small-scale power and heating plants and the provision of sustainable fuels such as woodchip and wood pellets. The Athloneregistered firm operated mainly in Europe and notable projects included the €35m construction of a biomass-powered plant

in the Romanian resort town of Bust-

eni PEP was successful for a while, recording an impressive €3m profit in 2013. According to the last available annual return,

Madden was the largest shareholder at this time with a 63% stake, while

of the company and Helsinki-based Haggblom owned close to 5%. Just over 2% was held by a Helsinki-registered entity called Prime Vision. (Smurfit and Haggblom



'Are you still on season one?

had previously worked together at Finnish forestry operation The Forest Company, where Haggblom is chairman and Smurfit was a board member at one stage. Impressively, back in 2014 Dermo was awarded 'The Knight, First Class of the Order of the Lion of Finland' for services to business.)

Trying to ascertain PEP's financial position in the run-up to its 2018 liquidation is challenging because it never filed accounts after those for 2013 and it had been struck off the companies register in 2016 for that reason.

PEP, however, was restored to the register in July 2017 on foot of a petition to the High Court

by creditor OBMC. Judge Tony **O'Connor** also ruled at the time that Madden would have to file the company's outstanding annual returns and corporation tax returns, but this never happened.

A number of other Madden entities have been struck off for failing to file accounts, including one called Bireme Holdings Ltd, where Smurfit was again a listed shareholder. Madden was awarded shares on foot of the "acquisition by Bireme Holdings of 130 ordinary shares in Prime Energy Power Ltd from Derek Madden".

Separately, a company called

Brief Cases continued on page 30

GOLDHAWK SPIES that the company behind the lauded Prosperity recruitment firm is being liquidated this week. The good news is that it looks like the multi-talented founder of the firm - actor-turned-executiveturned-DJ Gary Mullan - has landed on his (dancing) feet.

This week a creditors' meeting is to be held in D2, at which number-cruncher Michael Kennedy will be installed as liquidator of Thank God It's Monday Ltd, which turns out to be the entity behind Prosperity.

The news may come as something of a surprise given Prosperity's high profile and apparent success as a leading digital sector recruitment agency, boasting offices in Dublin, Paris and Barcelona, as well as more recently targeting expansion into the United Arab Emirates.

Set up by Mullan and his 50% partner and director of operations, Jim Murray, over 20 years ago, the company has attracted oodles of positive media coverage, operating in a fast-growing sector and claiming among its customers giants such as Google, Facebook, Microsoft, Sage and Accenture. Prosperity's annual digital salary survey also helped to maintain its profile.

Having opened an office in Paris, the boys followed this up with a so-called centre of excel-

lence in Barcelona, "where we build tech teams lo cally for our clients worldwide". Sunny Barcelona clearly appeals to Mullan, who is now based there.

There were no really obvious signs that Prosperity was in trouble. The last accounts filed cover the year to

the end of 2023, at which time the company was sitting on accumulated profits of €287,000, albeit having made a profit of a tiny $\pounds 2,000$ in the 12 months.

Certainly, Mullan and Murray had no concerns at the time these figures were signed off at the end of last September, just eight months ago. A note in the accounts states: "The directors have a reasonable expectation that the company has adequate resources to continue in operational existence and to meet its



Gary Mullan's bad vibe

Mullan

financial obligations as they fall due for at least 12 months from the date of signing these financial statements?

> website claims that "Prosperity is undergoing an ambitious global expansion", the accounts show that staff numbers at home were down from six to five, while directors² remuneration for Mullan and Murray had been cut back from a generous €341,000 in 2022 to

€208,000 in 2023.

At the same time, the amount owed to the company by the Spanish subsidiary, Prosperity Digital SL, more than doubled to €395.000 and there was also a €175,000 jump in the amount outstanding to "other creditors".

This is not the first time that Prosperity has found itself in a spot of bother. Many moons ago, it was faced with legal threats from the Church of Scientology no less, on foot of Mullan and Murray seeking to register the

'Prosperity' trademark. Happily, the legal shemozzle went nowhere and the Irish company got to protect its business name.

While Prosperity survived the Scientologists, it looks like prayers will not save the company now. Mullan, however, wears a number of hats, including that of actor, having appeared in TV shows such as Fair City, as well as some movies.

His other talent is focused on the dance floor and 18 months ago he was smart enough to set up a new business – in Barcelona where he now lives - called EchoBeats, "a high energy live act blending DJ beats with live saxophone percussion". According to Mullan's LinkedIn page, EchoBeats "brings the vibe, the rhythm and the unforgettable energy to every stage'

Its website notes that Gary and Marco (his business partner in Barcelona) "have become a sought-after pair of performers in the city". EchoBeats apparently offers "unforgettable experiences, from Dublin Beats to Barcelona Grooves"

The Fitzwilliam Place creditors' meeting for Prosperity could turn out to be quite good fun.

Smurfit owned 15%



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Prime Energy Solutions Ltd was struck off in August 2018. The last accounts filed here cover the year to the end of April 2016, at which stage accumulated losses stood at €460,000.

Back at PEP, the recent report from liquidator O'Dwyer states that unsecured creditors are owed €13.6m and that the winding up should be completed later this year. One issue that impeded the liquidation was a legal action against a contractor in Austria that ended up in arbitration in the Austrian Supreme Court.

Alas, PEP proved unsuccessful and O'Connor noted in a filing: "It is likely that no funds will be received as a result."

Big noise Matt Gleeson

A COMPANY called Blackberry Hearing Ltd has just had a charge registered against it by

non-bank lender InvoiceFair Ltd, which now trades as FinanceFair. This follows on foot of a most upbeat outing in the *Sunday Times* by Blackberry boss and pal of **Denis O'Brien**, **Matt Gleeson**.

The *ST* article made it clear that Blackberry Hearing has been going places since Glee-

son joined his father's company in 2018.

Before that, he had worked in the telecoms sector, having got started after meeting O'Brien when *in situ* as president of one of UCD's business societies. That encounter led to an internship at Digicel in the sunny Caribbean resort of St Lucia.

Blackberry Hearing had been incorporated by **Dave Gleeson** and his engineer associate, **John Ryan** of Axion Enterprises. When Matt came on board as general manager, he oversaw "a digital transformation" that helped to boost revenues and resulted in "double digit growth in each of the last five years".

Today, Blackberry boasts 60 outlets and has also collaborated with Tesco, where the company has opened its own-branded retail outlets at five Tesco Extra stores, "with more expansion planned".

All this growth, of course, requires funding and Gleeson, who moved up to the managing director role, told the ST that last year he brought in "a multi-million euro investment from private equity house Abbey International Finance", which enabled Dave Gleeson and Ryan to "cash in their chips". (The two boys still hold a minority stake through their vehicle Dradime Ltd.) There is no sign yet of the Abbey International windfall on the share register, as the latest annual return filed only covers the year to the end of September last but Abbey international's

chief finance officer, Niall McKeon, and head of private equity Mark Good were both appointed directors of Blackberry a year

Although the multi-millioneuro Abbey fillip is presumably in place to fund the planned ongoing expansion, Blackberry has also accessed funding

courtesy of FinanceFair, which registered its charge against the former company earlier this month.

The 2023 figures for Blackberry, signed off in April 2024, reveal that it dropped just on €450,000 that year, following on from a loss of €420,00 in 2022. Having been in the black at the end of 2021, this left Blackberry sitting on accumulated losses of €336,000.

Given the hearing aids business lost almost €900, 000 over



"You're an actor! Would I have seen you in anything?"



two years to the end of 2023 and is still "on the acquisition trail", it is perhaps not surprising that FinanceFair has joined the party so soon after the big Abbey International deal was signed.

'Image' makeover

ELSEWHERE IN this issue, Goldhawk notes the agreement between Image Publications Ltd (IPL) and the Revenue in relation to repayment of warehoused pandemic-period taxes (see p18).

It is also worth noting that the publisher has been steadily reducing its significant accumulated deficit.

These days IPL is owned by a holding company called Zernicke Ltd, which in turn is jointly controlled by Monkstownbased publisher **Robert Power**; the mag's co-founder,

Ann Reihill; and her nephew, **Patrick Dillon-Malone**. This shareholding arrangement followed a restructuring of the publishing outfit in 2015.

These days Reihill (who turns 80 next year) is no longer a director but the board does include Dillon-Malone, while other directors are Image chief executive **Clodagh Edwards**, **Laura Power** (wife of Robert), and, most recently, the Russian-born, Barcelona-based chief financial officer (and fitness fanatic) **Olga Gordeychuk**.

When Covid-19 kicked in, accounts published by ILP revealed a jump in accumulated losses from €435,000 to €2.4m in the year ended June 30, 2020. And matters were hardly helped by the decision taken in 2020 by Aer Lingus to crash-land its inflight magazine, *Cara*, which had been published by IPL.

The following year the losses

stood at €2.26m and the company was in the red to the tune of €1.2m, while the amount owed to creditors – including tax and social insurance – jumped over 50% to €747,000.

By the end of June 2022, the good news was that the accumulated deficit was down to just over €2m on foot of a €200,000 profit but the figure for creditors, including tax and social insurance, had jumped 74% to €1.3m, as ILP took advantage of the Revenue's tax-warehousing scheme.

In the year to June 23, 2023, ILP delivered a €¹/4m profit to reduce accumulated losses to



amount owned to creditors, including tax, was down €100,000 to €1.2m. These figures were signed off in April last year, at which stage there was no agreement in place regarding repayment arrangements for the warehoused tax liabilities and, therefore, these were technically

€1.8m, while the

due for repayment in full by that stage.

Happily, the June 2024 accounts published this month show that, while the amount owed to creditors (including tax and social insurance) had jumped from $\notin 1.2m$ to over $\notin 1.4m$, repayment terms for warehoused taxes had been agreed with the Revenue in April last year "and repayments commenced before the year end".

Meanwhile, a profit of just on €210,000 left accumulated losses at ILP at 'just' €1.6m. This is over 30% down on the figure in mid-2020, although there is still an awful lot of red ink.





Matt Gleeson

pointed directors of Blackberry a year ago. Although the multi-millioneuro Abbey fillin is





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