

CityJet profits rise by 8% to €23.4m

by Ian Guider

CITYJET, the Dublin-based airline owned by Air France-KLM, saw its profits rise by 8% last year.

Pretax profits increase to €23.4 million in the year to end March 2007 from €21.7m in the previous financial year, accounts just filed at the Companies Registration Office reveal.

The increase in profits at pretax level was mainly due

to a reduced interest bill. Operating profits fell to €22.3m from €22.5m.

The accounts also reveal that the company's financial performance was affected to the tune of €1.3m from positive currency movements. In the previous year currency fluctuations cost the company €556,640.

Turnover for the year was up by 8% to €261.1m, reflecting the expansion of its route network in 2007.

The company's directors said in a note with the accounts: "At the date of this report, an expanded network out of London City Airport, comprising of nine additional routes, was commenced during the financial year to March 2008. During the year to March 2008 the company substantially completed a fleet transition from aircraft type BAE 146-200 to Avro RJ85. It is anticipated that

Highlights

- Turnover: +8% to €261m.
- Operating profits: -1% to €22.5m.
- Pre-tax profits: +8% to €23.4m.
- Shareholders' funds: +55% to €58.3m.

the financial results will be significantly impacted by these events in 2007-2008." The company plans to

spend €67m buying two Avro jets.

In Ireland, turnover was up to €31.5m from €25.4m, while the expansion out of London City Airport saw revenues rise to €34.3m from €27.9m a year earlier. Turnover from its Europe operations, which are concentrated at Charles De Gaulle Airport in Paris, increased to €195.3m from €188.7m. The route and fleet

expansion led to an increase in the number of people employed by the airline to 612 from 539. The increase pushed up the wages and salary bill for the year to €27.2m from €23.8m.

Remuneration for the company's five directors rose to €382,129 from €355,675 in the previous year. CityJet's directors are: Patrick Byrne, the airline's founder; chief executive Geoffrey Whit; Richard

Burrows (the Bank of Ireland governor); Bruno Matheu, and Claude Macalan.

The airline was formed 14 years ago by Mr Byrne who won a franchise from Virgin Atlantic to fly from Dublin to London City Airport. Air France bought the airline in 2000.

CityJet last month upped its flights out of Ireland with the launch of daily flights from Shannon to Paris.

TALK THE TALK



Fergal Brosnan: First job was a self-employed Del Boy.

Director of Berkley Recruitment Fergal Brosnan talks to Niamh Hennessy

Tell us about yourself and the line of work you are in I am director of Berkley Recruitment Group and I set up the Cork offices in 2000. I spent eight years in the software R&D arena. Prior to joining Berkley Recruitment I worked with Apple Computer in Cork and the US, Cognotec in Dublin, and Performix Technologies also in Dublin.

What was your first job and how much were you paid?

My first actual job was a self-employed Del Boy — growing rhubarb and cabbage as a young fella and selling to the knowledgeable public of Castleisland in Kerry. My rate of pay was 50p a bunch of rhubarb and the same for cabbage — a total £10 per Saturday. My first real job was at Apple Computers where I worked as an R&D test engineer.

What is your best investment and why?

Health insurance. My first daughter was extremely ill at birth. Health Insurance paid the financial costs of six figures, but the real return on investment was her recovery and continued good health.

What has been your worst investment and why?

It may be a current one, a leg of a horse. Time will tell.

What is the most expensive item you have purchased apart from your house and car?

You'll have to ask my wife. Richard Branson. A fantastic approach to business and life. He is calm, considered and honest in all his dealings.

What is your most prized possession and why?

A decent garden, something to work on and get away from the hustle and bustle.

What is the best business advice you have received?

Cash is king. Don't spend what you haven't got. Lack of delivery from the majority of Irish service companies. I can see plenty of easy opportunities for new businesses, again being done professionally.

What drives you to succeed and why?

Happy clients, delivering a quality service that I can stand over 100%. Think long-term, take your points and the goals will come. Same applies for business, take the short-term success and it will build up to a large contract and a fruitful relationship.

Did you take out an SSIA?

Yes. The kids play in it now.

Anything else we should know about you or your line of work?

Berkley Recruitment recently completed the construction of the landmark offices on the Carrigrohane Straight, in Cork. For those who think there is a recession, Berkley's busiest quarter in 2007 was Q4, January 2008 was up 20% on 2007 and February is inline for the same growth. Think again.

Helping to keep the home sods burning has proven a winner for The Gifted Hand, whose co-founder Joannes Berkery tells TRISH DROMEY the demand for incense — launched on the market in 1994 — has been quite amazing

The scent of burning turf fills a niche in market

THE scent of burning Irish turf is in demand in the US this week — Tipperary-based company The Gifted Hand has been supplying turf incense to customers planning Irish parties, and to a priest in Boston who burns it in his church every St Patrick's Day.

January and February are the two busiest months of the year for the small company which has two main products — a little cottage containing mini turf sods, and a stone burner with a ceramic cottage for burning the incense.

"Each of the sods burns for 15 to 20 minutes and gives off the distinctive smell of a turf fire," says co-founder Joannes Berkery.

She says the demand for incense — which was launched on the market in 1994 — has been quite amazing. "We sell to Irish shops all around the US and Canada, and we have sold to customers from Arizona to Quebec. On the website we get orders from Mexico and Japan — some customers have Irish surnames some don't."

Customers include people who burn it at Irish weddings and funerals in the US, and several dry cleaners who order it in bulk. "One customer who lives on a boat in Vancouver orders 60 sods five times a year — but his surname isn't Irish," says Ms Berkery, adding that the company also sells to a theatre in Chicago which uses it to get the right ambience for Irish plays.

Ms Berkery and her husband, John O'Brien, emigrated to Boston in the

1980s where they occasionally burned a sod of turf to remind them of home. When they returned to Ireland in the 1990s a throwaway remark about a turf fire gave them the idea for a new business. When someone said they'd pay for the "smell of turf" they decided that they would have a go at trying to sell it.

It took some time to develop turf incense but in 1994 they set up the company and launched their first product — a little cardboard cottage containing a burner and sods.

"We launched at Showcase, but before this we appeared on the Late Late Show Enterprise Show and this gave us marvellous publicity. Gay Byrne liked it and this was great," says Ms Berkery. After this the company began getting orders from the US and selling to tourist shops around Ireland. The little cottage retailed at £3 and the company found it hard to keep up with demand.

The following year the company got assistance. North Tipperary Enterprise board provided grant aid and mentoring which was useful since neither Ms Berkery nor her husband had business experience — he had been a carpenter and she had worked as a nurse.

In 1999, they launched another product a ceramic cottage for burning incense. "It was difficult to get this right and to get the smoke to come out the chimney, but we launched at Showcase and it's now our best selling product in the US," says Ms Berkery. In 2000, The Gifted



Joannes Berkery of the Gifted Hand in Nenagh Co Tipperary with the company's product — the Irish turf/peat incense cottage which is exported worldwide.

Picture: Fergal Shanahan

Hand set up a website and this gave a big boost to business, and in subsequent years helped offset the fall off in sales to the tourist market in Ireland. The drop in US tourists visiting Ireland prompted the company to do something in 2002 that it had not done before — visit US shows.

"As a result of this, and growing sales on the web, our turnover grew by 35% in 2002," says Ms Berkery. Since 2004, the company has become a regular exhibitor at the Irish Fest in Milwaukee, visited by a quarter of a million Irish

Americans every year.

The company employs a full-time staff of three, including Ms Berkery who handles sales and marketing and her husband John, who makes the incense. The stone burner and the ceramic cottages are supplied by other companies, and some of the packaging is outsourced.

The Gifted Hand's main markets are Ireland, the US and Germany. Ms Berkery estimates that 40% of the company's products are sold in Ireland. It's not just tourists who buy them. "We also sell to country people living in

Factfile

- Company: The Gifted Hand.
- Location: Nenagh, Co Tipperary.
- Proprietors: Joannes Berkery and John O'Brien.
- Product: Turf incense.
- Staff: Three.
- Exports 60%.
- Website: www.turfpeat.com

cities who like the smell of turf. The introduction of gas fires was good for busi-

ness," she says. The company sells to tourist outlets and also in Belfast, Knock

and Shannon airports.

About 30% of sales go to the US, mostly to Irish shops and mail order companies. Surprisingly, 10% of sales go to Germany, France and Holland.

Ms Berkery says: "We are now selling up to 15,000 ceramic cottages a year and around 20,000 smaller cottages. Turnover has been growing between 7% and 12% every year."

The company is working on developing a new variation of the product, which should be ready for launch by St Patrick's Day next year.

Rural areas step up for growing number of walkers

A PAPER presented to the Teagasc national rural development conference in Galway recently contained some fascinating statistics in relation to walking and rural tourism.

It revealed, for instance, that walking is by far the biggest of the special interest activities of overseas visitors, with 280,000 partaking in 2005. Golf was the next closest at 98,000.

These figures were even larger in 2006, with an estimated 335,000 visitors enjoying walking facilities, 20% up on the previous year.

The paper was written by Stephen Hynes, Maria Heneghan, Cathal Buckley and Tom Van Rensburg as part of a Rural Stimulus Funded Project financed by the Department of Agriculture, Fisheries and Food.

It noted that total expenditure by overseas visitors engaging in walking and hiking activities in 2005 was estimated at €174 million.

Coillte estimates that 18 million people access the countryside through their forests, contributing more than €97m to the national economy in 2006.

Since the conference took place, Community Rural and Gaeltacht Affairs Minister Eamon Ó Cúiv announced that a new publicly funded walks scheme is to be initially launched in four pilot areas.

Overseas visitors are more interested in walking and hiking than golf, and facilities are improving to cater for them, says Ray Ryan

The scheme will allow landowners to work an agreed number of hours, on an annual basis, to develop, maintain and enhance approved marked ways and looped walking routes that pass through their land. They will be paid an hourly rate of €14.50 for this work and all materials will be supplied. Alternatively, the work will be carried out by the Rural Social Scheme. The four trails selected for the pilot are the Bluestack Way in Donegal, Sheep's Head in west Cork, Suck Valley Way in Roscommon and Galway and Eamonn a'Chnoic Loop Walk in Tipperary. It is anticipated that when

the scheme is bedded down it will be rolled out to a further eight routes this year, with others coming on stream in 2009.

The Irish Farmers Association said the scheme was a practical solution to the creation of walks, but Keep Ireland Open claimed it was not a solution to the public access problem.

While the paper presented to the Galway conference noted there are legitimate concerns for both landowners and users, it pointed out that rural walking initiatives have the potential to generate significant tourism revenue in non-urban areas of marginal economic value.

But it stressed that for a rural walking initiative to be successful it is vital that it be linked with other activities and services to complete the holiday experience for the visitor. It used case studies to demonstrate how this can be done.

One of those studies related to John and Linda Kenny, who run a 450-acre organic farm at Ballingarry, Roscrea, Co Tipperary. They also have forestry, sheep and horse enterprises.

They are also into tourism, having developed self-catering accommodation, walks and other attractions for individuals, groups and school tours.

Guests can watch horses being broken, shod and trained, or look at a sheep



Sheeps Head in west Cork. A popular walking route for tourists.

flock being tended. They are free to walk 110 acres of hardwood forestry through various routes.

Fairymount Farm, which has panoramic views of the Tipperary countryside, has a cricket club and grounds,

which also hosts teams from England.

The authors pointed out that the case studies they outlined are examples of micro-industries where individuals have, through their own initiative and some

public funding, developed a successful rural tourism business based on a nature-based walking product.

For specific locations in rural Ireland to develop a globally recognised rural walking product, requires a

number of additional factors.

These need to take into account the fact the visitor needs a "bundle" of auxiliary goods and services, in addition to a suitable natural landscape in which to walk.