

Ferguson, Vincent

by Terry Clavin

Ferguson, Vincent, (1931–2007), businessman and art collector, was born in the family home in Teeling Street, Sligo town, on 21 June 1931, the son of John Ferguson, printer, and his wife Mary (née McGarry). His mother died when he was five, leaving five boys and two girls. The family was poor, and to find work his father moved in 1944 to Mullingar, Co. Westmeath, after which Vincent lived in digs in Sligo. He attended the Marist Brothers and Summerhill College, failing his intermediate certificate because many of his subjects were taught through Irish.

In 1948 he joined a local builders' providers, D. M. Hanley and Co. Ltd, as a junior clerk, studying accountancy by correspondence from 1954. After qualifying as a member of the Association of Certified and Corporate Accountants in 1958, he moved first to London to work for the retail multiple Finlay and Co. Ltd, and then to Dublin to work for leather wholesalers M. J. Boylan in 1960, pharmaceutical multinational Warner–Lambert (Ireland) Ltd in 1961, and the Irish Sugar Company, a large state entity, in 1964.

Appointed financial controller of Irish Sugar in 1965, he projected a severe cash-flow crisis in the company's vegetable processing arm, Erin Foods, which had expanded over-ambitiously in Britain. He was the lone voice of realism within the company until the spectre of a costly state rescue prompted the resignation of general manager M. J. Costello (qv) and his replacement by Tony O'Reilly (b. 1936) in late 1966. Ferguson impressed O'Reilly with his grasp of financial minutiae, as in early 1967 they sought a joint venture partner for Erin Foods in Britain to reduce the egregious costs incurred there by its sales team.

An agreement was reached with H. J. Heinz whereby Erin Foods supplied it with processed vegetables for onward marketing and closed its sales and distribution activities in Britain, instead seeking economies from unbranded bulk sales. These controversial arrangements curtailed losses. Ferguson became general manager of Erin Foods in 1968, but was unhappy with the company's politically determined and inherently lossmaking responsibility for keeping small farmers on the land.

In 1969 he moved as a senior finance executive to Allied Irish Investment Bank (AIIB), AIB's merchant banking operation. The experience of advising on mergers and takeovers whetted his appetite for making money in his own right. On hearing that O'Reilly was to work for Heinz in America, Ferguson persuaded him in June 1970 to maintain a parallel Irish presence by pursuing a scheme for taking over an undervalued quoted company as a vehicle for corporate acquisitions. Ferguson's AIIB colleague Nicholas Leonard was also brought in.

There was a hitch when AIB's chief executive uncovered Ferguson's moonlighting and fired him, but he was not long idle. Fitzwilliam Securities was founded in April 1971 with a share capital of £100,000 provided by Ferguson (who invested £25,000), O'Reilly, Leonard and the Ulster Bank; the bank also advanced a £400,000 loan. Once Fitzwilliam bought a controlling stake in Crowe Wilson, a sleepy wholesale drapery, by injecting cash in return for fresh equity, the plan was to buy profitable private companies and so engineer growth in earnings per share. The early acquisitions were made with cash but as Fitzwilliam rode, indeed caused, a speculative boom, it exploited Crowe Wilson's strong share rating by acquiring companies through issuing equity and deferred payment instruments. Ferguson handled the financial detail; his sober, understated manner reassured investors, who disregarded some questionable accounting.

In July 1972 Goulding, a large fertiliser company, agreed to be the subject of a reverse takeover by Fitzwilliam Securities, thereby allowing the Fitzwilliam promoters to gain control of, and push all the accumulated debt onto, a new asset-rich entity called Fitzwilton. When Fitzwilton's share price peaked in early 1973, Ferguson's 4.7 per cent shareholding was worth £1.9 million. The strategy of growth by acquisition was maintained, and by 1975 Fitzwilton boasted 4,400 employees and interests in Ireland, Britain and the USA, spanning some sixty-four companies in construction, fertilisers, pharmaceutical retail, plastics, mining, newspapers, soft drinks and textiles. This haphazard spree produced a diffuse, indebted conglomerate with little scope for rationalisation or integration. Ferguson and Leonard simply ran from deal to deal, making no attempt at central oversight.

Rising interest rates and an Irish recession from 1973 heralded trouble, and Fitzwilton was undone when Goulding's obsolete manufacturing process caused haemorrhaging losses during 1974–5. Without informing the public for some months, Ferguson and Leonard sold approximately half their Fitzwilton shares in early 1975, Ferguson realising some £200,000. The banks moved in that July and compelled Ferguson, Leonard and O'Reilly to dispose of some £40 million in assets within eighteen months, leaving Fitzwilton a misshapen rump crippled for the next decade by its continued 50 per cent ownership of the lossmaking Goulding operation.

Ferguson, if not most of the Fitzwilton shareholders, emerged a wealthy man and moved to a large Victorian residence in Glenageary, Co. Dublin. He could also indulge his passion for art, which was increasingly focused on contemporary Irish or Irish-based artists. His compulsive, instinctual buying strained even his augmented finances to their limits. Professionally, he was O'Reilly's eyes and ears in Ireland, operating from a Hatch Street property housing the headquarters of Fitzwilton, the O'Reilly-controlled Independent Newspapers, and Atlantic Resources, an oil exploration vehicle founded in 1981 by O'Reilly and his Irish circle. He had significant shareholdings in all three, often bought at preferential prices, and served as deputy chairman of Independent Newspapers (1980–84) and Atlantic Resources (1981–7),

and also as chief executive of the largely dormant Fitzwilton (1983–8), but showed little flair for positions of outright leadership, being uncomfortable in the spotlight.

In 1975 he was appointed chairman of the Alliance and Dublin Consumers' Gas Company ('Dublin Gas'), a union-dominated private utility notorious for inefficient work practices and reliant on state subsidies. After years of government lobbying and negotiations with unions, Ferguson had by 1982 secured a potentially lucrative supply from the Kinsale gas field, and lined up a financial agreement whereby the government and a banking consortium provided funding for Dublin Gas to convert its network. However, the speculator Donal Kinsella attempted to oust Ferguson, rallying shareholders harbouring unrealistic expectations of Dublin Gas's future prospects and unhappy at terms that comprehensively diluted their ownership. The frantic canvassing of Dublin Gas's 2,800 small shareholders enabled Ferguson to prevail narrowly at the raucous EGM in September, but Kinsella had enough support to block the proposed financing so negotiations were resumed. Following protracted bickering between Ferguson and Kinsella, a financial agreement was concluded in December 1983, and Ferguson gladly resigned, correctly predicting that the new terms were unworkable.

The Fianna Fáil-aligned Kinsella was partly motivated by Ferguson's position, dating to 1980, as chairman of Fine Gael's capital branch, entailing responsibility for soliciting business donations for general election expenses. His team identified likely subscribers who were treated to discreet private business lunches with senior Fine Gael figures. During the three general elections held in 1981–2, Ferguson made Fine Gael's corporate fundraising competitive with that of Fianna Fáil, whose supporters suspected that Fine Gael was being bankrolled by O'Reilly, then an admirer of party leader Garret FitzGerald (1926–2011).

These connections led to Ferguson's appointment to the board of the Central Bank (1983–93) and the Arts Council in 1984. In 1984 he bought and reopened the Hendriks Gallery, recasting it as a showcase for a younger generation of 'new expressionist' artists before heavy losses forced him to close in 1988. He was also on the executive committee of ROSC's 1984 exhibition and on the board of trustees of the Gallagher Gallery (1986–92).

In 1983 his investment in Atlantic Resources flowered spectacularly when its share price rose twentyfold after its drilling consortium struck oil in the Celtic Sea. Ferguson largely held on to his shares, and in March–April 1984 borrowed to buy another £375,000 worth of Atlantic stock. To conceal the purchaser's identity from the public, this transaction was conducted through a nominee company with the money coming from a Cayman Island trust. However the discovery was not commercially viable and Atlantic's share price collapsed leaving Ferguson in financial trouble, particularly when further loan-funded investments in Atlantic Resources and Fitzwilton in 1986 also went awry. In 1987 Ferguson had to sell his house and auction most of his art collection, raising £344,000 from the 330

paintings sold. After subsequent disposals of shares and assets failed to clear the loan, O'Reilly guaranteed Ferguson's debt in 1990, eventually paying it off in 1998, by which time it stood at £1 million.

In the late 1980s Ferguson went into semi-retirement and moved to Sligo where he bought and renovated a house at Rosses Point. He continued as director of Independent Newspapers (latterly Independent News and Media), receiving director's fees of €159,000 in 2006, and resumed art collecting, amassing some 400 works, amounting to the largest private collection of contemporary Irish artists. He preferred living artists because he could follow their evolution and enjoy their company, befriending his great favourites Patrick Collins (qv) and Basil Blackshaw (b. 1932). His taste became more experimental, and when Collins began hacking his canvases into irregular outlines, Ferguson was one of his few supporters to remain loyal. In 1997 he donated thirty-five paintings to IMMA.

Ferguson died suddenly in his home at Rosses Point on 8 May 2007 and was buried locally at St Columba's church. In 1959 he married Noeleen Cadden, also from Sligo; they had three sons and three daughters. His will disposed of €3.4 million.

GRO (birth cert.); *Sligo Champion*, 4 Oct. 1958; 17 Jan. 1959; 9 Feb. 1963; 20 Oct. 1967; *Westmeath Examiner*, 17 Jan. 1959; *Ir. Times*, 4 May 1971; 28 July 1975; 29 June 1979; 22 Oct. 1981; 30 Aug., 10 Sept. 1982; 6 June 1983; 13, 27 Mar., 18, 24 Apr., 20 Dec. 1984; 2 Oct. 1985; 16, 19, 21 May 1987; 4 Oct., 5 Nov. 1988; 2 Feb. 1993; 17 Apr. 1997; 8, 13 July 2002; 10 Jan., 11 May 2006; 11, 12 May 2007; 4 Feb. 2011; *Connacht Sentinel*, 31 Aug. 1971; 12 Dec. 1972; *Hibernia*, 10 Sept. 1971; 14 Apr., 4 Aug. 1972; 4 Jan. 1974; 16 July 1976; 21 Oct. 1977; *Checkout* (Oct. 1971); *Business and Finance*, 10 Aug., 21 Dec. 1972; 31 Jan., 19 Sept. 1974; 30 Oct. 1975; 3, 10 Sept. 1981; 16 Sept. 1982; 4 Aug., 24 Nov. 1983; 15 Mar. 1984; *Sunday Independent*, 13 Jan. 1974; 13 Jan. 2008; 18 Jan., 10 May 2009; 13 May 2012; *Ir. Business* (Oct. 1975; Dec. 1976; July 1981; Nov. 1981; Sept., Oct. 1983; April 1984); *Magill* (Nov. 1977); *Ir. Press*, 30 Aug., 15, 23 Nov. 1982; 8 Jan. 1985; 21 May 1987; *Ir. Independent*, 10, 11 Sept., 4 Nov. 1982; 9 June 1983; 16 May 1984; 8 Feb. 1985; *Success* (Jan., Feb., April 1983; Dec. 1984); *Phoenix*, 10 June 1983; 17 Feb. 1984; 9 May 1986; 24 Dec. 1992; *Aspect* (Jan., April 1984; June 1987); *Sunday Press*, 4 Mar. 1984; Stephen O'Byrnes, *Hiding behind a face: Fine Gael under FitzGerald* (1986), 57, 65, 88–9, 143–4; *Sunday Tribune*, 18 Jan. 1987; Garret FitzGerald, *All in a life* (1991), 605–06; Ivor Kenny, *Out on their own: conversations with Irish entrepreneurs* (1991); C. H. Walsh, *Oh really O'Reilly: a biography of Dr A. J. F. O'Reilly* (1992); RHA Gallagher Gallery, *The Vincent and Noeleen Ferguson Collection* (1993; exhibition catalogue); Jacqueline Hayden, *Lady G: a biography of the Honourable Lady Goulding LLD* (1994), 147–50; Ivan Fallon, *The player* (1994); *Report of the inspectors appointed to enquire into the affairs of Ansbacher (Cayman)*

Ltd (2002), vol. xiv, app. XV (167–168); Colm Keena, *The Ansbacher conspiracy* (2003)

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