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Sunday Independent

SUNDAY BUSINESS

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Edited by Samantha McCaughren

Animation firm to draw in new revenue from toys



Jam Media is negotiating its first toy deal for *Becca's Bunch*, an innovative new children's show that the Dublin company is producing for Nick Jr's US channel. 'Everybody is totally charmed by *Becca*,' said Jam Media CEO John Rice. Interview, page 6

Dunnes takes flight from British market as Brexit costs bite

Retailer exits Scotland and leaves just one shop in England after closures

Samantha McCaughren
Business Editor

IRISH retailer Dunnes Stores has effectively exited the British market, closing all its Scottish shops over six months, and shutting its second-last remaining shop in England yesterday.

Less than three years ago, Dunnes had five stores in Scotland and six in northern England and there were reports in Britain that the company was considering scaling up the business by acquiring an additional 40 stores.

However, over the past few months all five of the Scottish shops have closed down. Late last year, branches closed in Sauchiehall Street,

Glasgow and Clydebank, while branches in The Forge Shopping Centre in Parkhead, Glasgow; Cumbernauld; and Glenrothes, Fife, closed in recent days and weeks.

The Cumbernauld premises was a flagship store in a shopping centre.

According to reports in the local press the reason allegedly given to staff was that the group was "pulling out of the UK market with Brexit future costs being seen as the main contributor to their decision".

In England, one of two remaining stores put up a notice in recent days to say it would cease trading on St Patrick's Day.

The shop in Heywood, Lancashire, based in the

Times Retail Park, sold food, clothing and homewares. Local media reports said that Dunnes was "believed to be pulling all stores in England and Scotland".

The Heywood shop was removed from its list of stores on Dunnes Stores website on Friday, leaving Northampton as its only shop in England.

Retail sources said Dunnes Stores had an issue with scale in Britain and may have faced a decision to either ramp up or exit the market.

Dunnes Stores did not respond to queries.

The group continues to operate 16 shops in Northern Ireland, although it has closed several in recent years.

In 2016, Dunnes received a

£250m dividend from its UK operation.

This move was seen as reducing sterling currency exposure due to continuing Brexit uncertainty.

The accounts showed the company recorded a pre-tax loss of £5.1m, though the main factor behind the loss was the firm writing down the value of assets by £7.5m.

It recorded the loss after revenues declined by 21.7pc – going from £127.56m to £99.85m.

Headed by Margaret Heffernan, Dunnes has completed a major corporate restructuring process by assimilating 40 individual companies into a principal entity.

Warning water plan will hike house prices

Fearghal O'Connor
Deputy Business Editor

A proposal by Irish Water to change the way it charges for connecting homes to its network will push up the cost of new homes by thousands of euro and could further hit the supply of housing, new data indicates.

Connection costs will rise by an average of 109pc if the water utility can push through its plans, according to an analysis of current and proposed charges seen by this newspaper. The analysis by

industry experts is at odds with Irish Water claims that costs will fall in most areas.

Anthony Neville, chairman of the Irish Homebuilders Association, said that in his own case he had calculated the move would add close to €5,000 to the cost of houses his firm is building in Dublin.

"My contribution is going to go up by €5,000. There is no nice way I can say this, that is going to add €5,000 on to the house price for first-time buyers. There is no room to absorb that anywhere because my margins are so tight the

banks could just decide to cut my funds due to something like this. It is these seemingly small additions that are killing us and stopping purchasers from being able to afford our product," he said.

Neville said it appeared to be a case of the water charges debate "coming home to roost". "We all should be paying for our water, not just first-time buyers. Why should first-time buyers and commercial users of water have to pay for everyone else. How is that just?"

Irish Water is expected to

connect 51,000 customers to the water network with an expected revenue value of €315m between 2017 and 2021. It plans to bring in one nationwide standard charge across every local authority area of €5,636 per house, a substantial rise in many areas, according to the analysis.

It shows the cost of connections would fall in seven counties but would rise everywhere else and by well over €3,000 a home in many others.

Continued on page 2

Irish coffee millionaire backs African text firm

John Reynolds

DUBLIN-BORN coffee shop multimillionaire Bryan Meehan has joined with the founders of Skype and WordPress to back WeFarm, a text-messaging and online network for small farmers in east Africa to share information.

Meehan, 49, a graduate of Trinity and Harvard Business School, took part in a €4m (\$5m) seed funding round in the business, the world's largest farmer-to-farmer digital network.

Having backed the firm alongside Skype founder Niklas Zennstrom and WordPress founder Matt Mullenweg, Meehan is no stranger to working with big names, having previously co-found-

ed the Nude skincare range with Ali Hewson, the wife of U2's Bono.

He and fellow investors sold a stake in Blue Bottle Coffee chain to Nestle for around €400m last year.

London-headquartered WeFarm is aimed at the more than 500 million smallholder farmers across the world who struggle to access education about farming, key inputs such as fertiliser and to access new markets for their produce.

However, many of them come up with innovative, low-tech solutions to improve their crop yields.

The network enables them to share this knowledge easily and for free with other farmers who might be facing the same challenges.

Pubs warned about closing on Good Friday

Samantha McCaughren

PUBLICANS have been warned by the competition watchdog that they cannot group together and make a decision to close on Good Friday.

Pubs are to remain closed in a number of rural towns, despite a decision to lift the ban on Good Friday opening hours.

However, under competition rules, businesses must act independently in making commercial decisions.

A spokeswoman for the Competition and Consumer Protection Commission (CCPC) said it was aware that pubs in some areas were planning to close on Good Friday.

"The opening hours of a pub are a matter for each

publican to decide. Publicans should decide individually, and not collectively, the terms and conditions under which they are willing to provide goods or services to customers," she said.

"The CCPC reminds all publicans that under competition law they are obliged to make commercial decisions, including their opening hours for business, independently."

The CCPC has contacted the Licensed Vintners Association and the Vintners Federation of Ireland to ask them to remind members that they have obligations under competition law.

Legislation was passed in the Dail in January to amend the Intoxicating Liquor Act and end the 100-year ban on alcohol sales on Good Friday.

"They came and solved a grievance in four hours. Pretty sweet."

Clodagh Harrington, Business Owner, Peninsula Client



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