

# CVA3

## Notice of supervisor's progress report in voluntary arrangement



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 01072921

Company name in full Pizza Hut (U.K.) Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Supervisor's name

Full forename(s) Richard Dixon

Surname Fleming

### 3 Supervisor's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode BN1 2NW

Country

### 4 Supervisor's name <sup>①</sup>

Full forename(s) Mark Granville

Surname Firmin

#### ① Other supervisor

Use this section to tell us about  
another supervisor.

### 5 Supervisor's address <sup>②</sup>

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode BN1 2NW

Country

#### ② Other supervisor

Use this section to tell us about  
another supervisor.

# CVA3

## Notice of supervisor's progress report in voluntary arrangement

### 6 Date of voluntary arrangement

Date 

d	2	d	8	m	0	m	9	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

### 7 Period of progress report

Date from 

d	2	d	8	m	0	m	9	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Date to 

d	2	d	7	m	0	m	9	y	2	y	0	y	2	y	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

### 8 Progress report

☒ I attach a copy of the progress report

### 9 Sign and date

Supervisor's signature

Signature

X



X

Signature date

d	1	d	7	m	1	m	1	y	2	y	0	y	2	y	1
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# CVA3

## Notice of supervisor's progress report in voluntary arrangement



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Alex Godfrey**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**  
**91 Western Road**

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

Telephone **+44 (0) 20 7715 5200**



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

**All information on this form will appear on the public record.**



### Where to send

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**PIZZA HUT (U.K.) LIMITED (UNDER A COMPANY VOLUNTARY  
ARRANGEMENT)**

# **Joint Supervisors' first progress report**

**For the period from 28 September 2020 to 27 September  
2021**

*17 November 2021*

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# 1 Executive summary

- We, Richard Fleming and Mark Firmin of Alvarez & Marsal Europe LLP (“A&M”), were appointed Joint Supervisors of Pizza Hut (U.K.) Limited (“the Company”) on 28 September 2020 in accordance with the CVA Proposal dated 10 September 2020 (the “Proposal”).
- This progress report covers the period from the date of our appointment to 27 September 2021 (the “Period”).
- Throughout the CVA, the Company has continued to trade under the control of the Directors (Section 2 – Strategy and progress to date).
- Compromised creditors continue to be paid in accordance with the terms of the CVA (Section 3 – Creditors).
- The CVA did not affect the rights of any Preferential Creditors who continue to be paid in the CVA in accordance with their terms (Section 3 – Creditors).
- We expect the Proposal to be fully implemented and currently have no reason to believe otherwise (Section 5 – Future Strategy).
- Please note that you should read this report in conjunction with any previous correspondence sent to the Company’s creditors, including the Proposal. All such correspondence is available on the Portal.
- Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Richard Fleming  
Joint Supervisor

## 2 Strategy and progress to date

This section updates you on the strategy for the Company Voluntary Arrangement and on the progress to date. It follows the information provided in the Proposal.

### 2.1 Strategy

Throughout the CVA, the Company has continued to trade under the control of the Directors as a going concern.

Our role, until implementation, is limited to carrying out our statutory duties.

#### 2.1.1 Objective of the CVA

As stated in the Proposal, the overall objective of the CVA is to restore the viability of the Company through a combination of:

- forgiving rent arrears across all Leases which are outstanding and that the Company is unable to pay as a result of the COVID-19 Pandemic;
- moving to monthly payment cycles across Categories 1 – 4 Leases to assist cash flow (but with any turnover element of Compromised Lease Rent payable on a four-weekly basis);
- moving to a turnover rent model for the Category 2 Leases and Category 3 Leases to share trading risk and reward, as well as to aid cash flow and return the Company to a viable footing following the COVID-19 Pandemic;
- moving to nil rent after two months for the Category 4 Premises (to the extent not already nil rent);
- following two months' rent, service charge and insurance (to the extent any are applicable), ceasing to operate in sites located at Category 5 Premises which are loss making, vacant, sub-let or not considered viable in the long term;
- compromising the liabilities owing by the Company with respect to certain business rates;
- compromising Historic Dilapidations which are commercially onerous to the business and are a cash-flow burden;
- compromising certain non-critical liabilities which are commercially onerous and from which the Company obtains no benefit; and
- subordinating the outstanding intercompany indebtedness owing by the Company to its Indirect Shareholder.

#### 2.1.2 Company performance

The CVA has stabilised the business and allowed it to successfully navigate through the uncertainty caused by further government enforced closures in late 2020 and early 2021. The Company continues to trade as a going concern and payments to the compromised creditors continue to be made as scheduled in the proposals.

### 2.2 Asset realisations

No amounts have been realised during the Period.

The terms of the CVA do not provide for the Supervisors to complete asset realisations or process payments on behalf of the Company.

A receipts and payments account has not been set out in this report as there have been no receipts or payments from the estate during the Period.

## **2.3 Expenses**

No amounts have been paid from the estate during the Period.

The Supervisors' fees and costs are being settled directly by the Company.

## **2.4 Schedule of expenses**

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 2).

The only significant expense which has been incurred in the Period but has not yet been paid relates to our unbilled time costs of £80,198.50 and disbursements of £792.46. Payment of these costs will be met outside of the estate by the Company and paid outside the Period covered by this report.



# 3 Creditors

## 3.1 Creditor claims and distributions

During the Period, we have not received or agreed any potential claims from Compromised Creditors.

Since the end of the Period, we have assessed amounts due to Category 6 creditors totalling £105,713, in respect of which Category 6 creditors are to receive payments of 2p/£ from the Company, equating to £2,114.

The amounts due to Category 7 creditors are determined in the Proposal.

Payments in respect of Categories 6 and 7 liabilities have been made by the Company.

Rent continues to be paid as per the CVA.

## 3.2 Preferential creditors

The CVA did not affect the rights of the Preferential Creditors in respect of any Preferential Liabilities. All Preferential Liabilities continued to be paid in the CVA in accordance with their terms.

Additionally, the CVA did not affect the rights of any Employee, either in respect of any Employee Preferential Claim or any other Liability owed to the Employee in their capacity as an Employee.

## 3.3 Unsecured creditors

The CVA did not affect the rights of the uncompromised unsecured creditors in respect of any unsecured liability.

The uncompromised unsecured creditors and the Company continue to perform their obligations in accordance with the terms of their respective unsecured arrangements.

No distributions have been made to the uncompromised unsecured creditors in the Period.

## 4 Joint Supervisors' remuneration and category 2 expenses

### 4.1 Joint Supervisors' remuneration and category 2 expenses

The basis of our remuneration was approved on a time cost basis as part of the Proposals approved by creditors.

Payment of our fees and disbursements will be settled directly by the Company outside of the estate and outside the Period covered by this report.

It is expected that our time costs will be within the fees estimate of £100,000 and at this stage, we have no intention of drawing remuneration in excess of the fees estimate. Should circumstances change and we deem a revision necessary, you will be notified of the revised time cost estimate in the ensuing progress report.

We have attached our charging policy at Appendix 3, together with a summary of the expenses paid directly by A&M during the Period.

# 5 Future strategy

## 5.1 Prospects for full implementation of the Proposal

We expect the Proposal to be fully implemented and currently have no reason to believe otherwise.

## 5.2 Future reporting

We will provide a further progress report within two months of 27 September 2022 or earlier if the CVA has been fully implemented or terminated prior to that time.

# Appendix 1 – Statutory information

Company information	
Company name	Pizza Hut (U.K.) Limited
Previous company names (if applicable)	Dianthus Trading Company Limited
Date of incorporation	21 September 1972
Company registration number	01072921
Present registered office	Building 1, Imperial Place, Elstree Way, Borehamwood, Herts, WD6 1JN
Trading name	Pizza Hut
Nature of business	Licenced restaurants
CVA information	
Date of appointment	28 September 2020
Court details	High Court Of Justice, Business & Property Courts of England & Wales
Court Number	CR-2020-003696
Joint Supervisors	Richard Fleming and Mark Firmin
Joint Supervisors' contact details	Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW Tel: +44 (0)20 7715 5200 Email: INS_PIZZAHUT@alvarezandmarsal.com

# Appendix 2 – Schedule of expenses

A summary of the expenses incurred during the period of this report is set out below:

<b>Schedule of expenses for the period 28 September 2020 to 27 September 2021</b>	
<b>Category</b>	<b>Incurred in the period (£)</b>
Joint Supervisors' disbursements*	792.46
<b>Total</b>	<b>792.46</b>

\* These expenses are settled outside of the estate by the Company.

# Appendix 3 – Charging policy

## *Joint Supervisors' charging policy*

The time charged to the CVA is by reference to the time properly given by us and our staff in attending to matters arising in the CVA. This includes work undertaken in respect of tax, VAT and investigations by A&M in-house specialists.

Our policy is to delegate tasks in the CVA to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "Voluntary Arrangement: A Guide for Creditors on Insolvency Practitioner Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please contact [INS\\_PIZZAHUT@alvarezandmarsal.com](mailto:INS_PIZZAHUT@alvarezandmarsal.com).

## *Hourly rates*

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this CVA. Time is charged by reference to actual work carried out on the CVA, using a minimum time unit of six minutes.

All staff who have worked on the CVA, including cashiers and secretarial staff, have charged time directly to the CVA are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the CVA but is reflected in the general level of charge-out rates.

<b>Charge-out rates (£/hour) for: Restructuring</b>	
<b>Grade</b>	<b>£ / hour</b>
Managing Director	830
Senior Director	780
Director	735
Associate Director	625
Senior Associate	525
Associate	385
Analyst	250
Support	185

## *Policy for the recovery of disbursements*

Where funds permit the office holders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, such disbursements are defined within SIP 9 as payments which are first met by the office holder, and then reimbursed to the office holder from the estate. These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage,

telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Disbursements within category 2 expenses charged by A&M include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have the authority to pay disbursements falling within category 1 expenses without the need for any prior approval from the creditors of the Company.

Disbursements falling within category 2 expenses are to be approved in the same manner as our remuneration.

*Disbursements falling within category 1 expenses*

<b>Nature of disbursement</b>	<b>Amounts incurred in the period (£)</b>	<b>Amounts paid in the period (£)</b>
Travel costs	276.20	-
Postage	316.26	-
Bonding	200.00	-
<b>Total</b>	<b>792.46</b>	<b>-</b>

Whilst an estimate for category 1 expenses was not previously provided with the Proposal, it was necessary to incur the bond costs as this is a compulsory security for the Joint Supervisors as required by UK insolvency legislation. Case related travel expenses were incurred by our staff for travel to and from relevant CVA meetings. Case related postage expenses were incurred in delivering information in relation to the Proposal to creditors.

*Disbursements falling within category 2 expenses*

No disbursements falling within category 2 expenses have been incurred or paid during the period of this report.

# Appendix 4 – Glossary

Any references in this progress report to sections and rules are to Sections and Rules in the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
Company	Pizza Hut (U.K) Limited – under a CVA
CVA	Company Voluntary Arrangement
Directors	Kathryn Elizabeth Austin Jens Tjeerd Hofma Susan Marshall Andrew Mark Platt Michael William Edward Spencer
Joint Supervisors/we/our/us	Richard Fleming and Mark Firmin
SIPs	Statements of insolvency practice
SIP 9	Payments to insolvency office holders and their associates from an estate
Proposal	CVA Proposal dated 10 September 2020



# Appendix 5 – Notice: About this progress report

This progress report has been prepared by Richard Fleming and Mark Firmin, the Joint Supervisors of Pizza Hut (U.K.) Limited (“the Company”), solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the CVA, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this progress report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this progress report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Supervisors do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Richard Fleming and Mark Firmin are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Supervisors act as agent for the Company without personal liability. The appointments of the Joint Supervisors are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the company voluntary arrangement.