

Examiner is appointed to Four Star Pizza in High Court

By Tim Healy and Patricia McDonagh

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THE High Court yesterday appointed an interim examiner to the Four Star Pizza chain after a judge heard the company was insolvent and unable to pay its debts.

The directors of Four Star Pizza Ltd, and its holding parent company Zowington Ltd, sought the court's protection when Mr Justice Frank Clarke was told it was hoped a scheme could be drawn up to ensure its survival.

The move comes in the wake of a major expansion drive by the firm and an optimistic outlook for future revenue in the market here.

The firm has 40 stores -- after expanding from 29 in 2006 -- and is the second-largest take-out franchise in the Republic and the North.

It had planned to expand its operation further and open 60 stores in Ireland by 2012.

The court heard that, due to increased competition, the downturn in the economy and the difficulty with franchisees being able to pay rents, the directors believed it was prudent to seek court protection.

The company was the head tenant on most of the franchisees' leases and had an obligation to pay rents that were not reflective of the market, as had been the case in many other examinerships, the court heard.

The court heard the company had a debt to National Irish Bank of €4.9m while other creditors included an ingredients supply firm, a printing firm and the Revenue Commissioners.

The judge appointed Neil Hughes of Hughes Blake as interim examiner and made the matter returnable to the High Court at the end of the month.

The firm could not be contacted for comment last night.

Order

The company had previously insisted business had improved during the recession, as many people were opting to stay in and order food rather than going to a restaurant.

Earlier this year, Anthuan Xavier, one of the firm's directors, said there was "another three years" of growth for the chain in the Irish market.

The appointment of an interim examiner comes as rival pizza chains see increased revenues in the recession.

Domino's Pizza recently revealed a bumper set of financial figures for 2009, as total sales at stores in the UK and Ireland jumped 16pc to €467m.

It said it had been helped by sponsorship of top-rated TV shows such as 'The X Factor'.

- Tim Healy and Patricia McDonagh

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