

Pizza Express is about a bigger accounting failure: it'...

Published: January 13, 2026, 12:04 am

I suspect I feel like a [Pizza Express debt holder](#) this morning. Pretty rough, that is

I do, however, have one great advantage over the pizza express debt holder. I know that in a day or two the bug that has decided to afflict me will go away. They, on the other hand, will still be amongst the £1 billion plus debt holders of the company, running at more than £1.6 million per restaurant.

There are lessons to note in both cases. One is don't help out a friend when she has warned you she has a cold. The other is that there is only so much debt you can lay on top of a pizza before the mozzarella disappears from view. I would have thought that obvious, and yet apparently it is not.

Stopping the analysis at this point would, however, be a mistake. Clearly the debt arose for a reason. The first is an issue that I have alluded to for a long time, which is wildly optimistic business valuations. These plague the stock markets and trickle down. The High Street restaurant chains appear to have been particularly vulnerable to them. Pizza express simply was not worth the price paid for it by its latest owners. Now they are trying to make others pay the price for that. There is not nearly as much goodwill in the world as corporate valuations would suggest.

Second, even if debt is very cheap (and intra-group debt tends not to be) there is still only so much that any business can sustain before it is overburdened. Seemingly this has not been learned as yet.

And third? That is that this has a cost. I cannot be the only parent who was very relieved that there was such a thing as Pizza Express when their children were young. Its willingness to tolerate young children, preferably with some modicum of house training, provided the chance for a meal out for parents whilst introducing the idea to offspring that good behaviour is sometimes not just desirable, but a necessity. Pizza Express provided a valuable social service when doing so. So keen were my sons on the place that at least one had a birthday party there.

You might call all that so very middle class, and maybe it is. But the point is real nonetheless. All such customers are stakeholders of Pizza Express. They don't just provide the company with its profits, they also provide it with its social licence to operate in the communities of which they are a part. The burdening of the company with debt which now threatens its existence fails to recognise that fact, but does reflect the reality of modern business, and accounting.

Accounting says that only profit matters.

And it says that the only people who are of concern to a company or its suppliers of capital.

Neither is true. Pizza Express made its top line by employing local people to supply a local service to local communities who appreciated what it had to offer. That was the reality of the business. The debt-piling is not. The dough balls were, and are.

Until we get this understanding right we get business, and its accounting, wrong.

Which is precisely why the [Corporate Accountability Network](#) wants to rewrite the rules of accounting.

The Corporate Accountability Network won its first grant yesterday, on which more will be said when paperwork is done. In the meantime, the key issue is that all stakeholders matter to a business. Pizza Express has got the focus wrong. But I hope the matter can be put right. This is a business I would not be keen to see disappear.