

Company Registration No. SC588879 (Scotland)

SIX BY NICO (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 02 JULY 2023

SIX BY NICO (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	N Simeone V Simeone I MacArthur R Wirszytz G Sheils
Company number	SC588879
Registered office	227 West George Street Glasgow Scotland G2 2ND
Auditor	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

SIX BY NICO (HOLDINGS) LIMITED

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SIX BY NICO (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 2 JULY 2023

The directors present the strategic report for the year ended 2 July 2023.

The principal activities of Six by Nico (Holdings) Limited are the operation of restaurants trading as 'Six by Nico' and the provision of management services.

Fair review of the business

On 4 July 2022 the trade of the Company's subsidiary entities was transferred to Six by Nico (Holdings) Limited along with the associated assets, hence the prior year figures are not directly comparable.

The Six by Nico network saw further expansion during the year with the Byres Road restaurant opening in February 2023. 2 further restaurants have opened shortly after the year end – Leeds (3 July 2023) and Cardiff (14 August 2023) with further expansion planned thereafter.

The directors are satisfied with the performance of the business in the year, generating profit before taxation of £2.0m from turnover of £25.1m. Fixed asset additions of £2.1m show significant further investment made in the year with the majority of the spend relating to investment in new restaurants and further expansion of the Six by Nico network.

Principal risks and uncertainties

The nature of the company's activities give rise to operating risks and uncertainties from:

General economic conditions and competition risk

- The directors believe the Company offers an excellent value for money proposition to customers. This proposition together with the certainty of a fixed price menu provides Company a degree of protection and resilience in tougher economic conditions where customers have less disposable income. Additionally, the breadth of our UK and Ireland wide operations provides a level of protection against conditions in individual regions.
- The "cost of living" crisis in the UK is affecting every business with inflationary pressures in the supply chain and pressures on the disposable income of customers. Management closely monitor restaurant bookings and the average spend per head while actively managing our cost base to mitigate the risk to the business as far as possible.

Staff recruitment and retention

- The atmosphere in our restaurants and the quality of customer experience is vital to the success of the Company. To maintain and enhance this experience the Company places significant focus on recruiting and developing colleagues with the personal qualities, skills and experience and brand knowledge to make every visit to one of our restaurants, memorable.

Food safety and hygiene

- As a restaurant and food production business, shortcomings in food safety and hygiene standards could impact significantly on our brand and trade. The Company continually monitors operating processes across each location to ensure high standards.

New site identification and development

- Sourcing, securing and fitting-out appropriate new restaurant locations is critical to the growth and development of the Company. The Company has an experienced senior team responsible for the identification, negotiation, fit out and marketing of new sites.

Financial risks

- The Company has bank loans and is required to service and repay these facilities and to comply with the terms of the facilities, including financial covenants. The term debt is held at a fixed interest rate to ensure certainty of cashflows. The company is also exposed to exchange rates on foreign currencies, principally the euro.

SIX BY NICO (HOLDINGS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

Going concern

Having considered the financial position and outlook the directors are satisfied that the Group has the financial resources to trade in the ordinary course of business for the foreseeable future. Accordingly, the financial statements continue to be prepared under the going concern basis of accounting.

Future developments

The Company is well placed to continue its development and capitalise on market successes to date. While cautious of the general economic environment, with inflation and higher interest rates impacting consumer disposable income, the Company feels well placed to pursue appropriate opportunities and develop at an appropriate pace.

On behalf of the board

N Simeone

Director

Date: 20 December 2023

SIX BY NICO (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 2 JULY 2023

The directors present their annual report and financial statements for the period ended 2 July 2023.

These financial statements cover the period from 4 July 2022 to 2 July 2023. The company's accounting reference date is 30 June and the company closes its books at the end of the trading week adjacent to the accounting reference date, which for this year was 2 July 2023. Accordingly, this year represents a 52 week trading period and the balance sheet represents the position at that date.

Principal activities

The principal activities of Six by Nico (Holdings) Limited are to act as a holding company, the operation of restaurants trading as 'Six by Nico', and the provision of management services.

Results and dividends

The results for the year are set out on page 9.

The directors do not recommend payment of a dividend.

Directors

The directors, who served in the year and to the date of approval of these financial statements, are as follows:

N Simeone
V Simeone
I MacArthur
R Wirszyycz
G Sheils

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Post reporting date events

2 new Six by Nico restaurants have opened since the balance sheet date; Leeds on 3 July 2023 and Cardiff on 14 August 2023.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

SIX BY NICO (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Matters addressed in the strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

N Simeone
Director

Date: 20 December 2023

SIX BY NICO (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIX BY NICO (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Six By Nico (Holdings) Limited (the 'company') for the period ended 2 July 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 July 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

SIX BY NICO (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SIX BY NICO (HOLDINGS) LIMITED

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities>
This description forms part of our auditor's report.

Extent to which the audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

SIX BY NICO (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SIX BY NICO (HOLDINGS) LIMITED

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that are applicable to company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK GAAP;
- Companies Act 2006; and
- Corporation Tax legislation.

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls; and
- Revenue recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

SIX BY NICO (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SIX BY NICO (HOLDINGS) LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jeffrey Marjoribanks (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

Date: 20 December 2023

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

SIX BY NICO (HOLDINGS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 2 JULY 2023

		Period ended 2 July 2023 £	Period ended 3 July 2022 £
	Notes		
Turnover	2	25,122,326	6,505,284
Cost of sales		(17,687,631)	(956,932)
Gross profit		7,434,695	5,548,352
Administrative expenses		(4,045,502)	(2,352,117)
Other operating income		-	4,694
Exceptional costs and other items	3	(1,008,552)	(81,701)
Operating profit	4	2,380,641	3,119,228
Interest receivable and similar income	7	573,775	565,863
Interest payable and similar expenses	8	(977,203)	(784,193)
Profit before taxation		1,977,213	2,900,898
Tax on profit	9	(3,839,290)	226,397
(Loss)/profit for the financial period		(1,862,077)	3,127,295

All of the results for the current and prior year relate to continuing operations.

There are no items of other comprehensive income in either the current or prior reporting period.

SIX BY NICO (HOLDINGS) LIMITED

BALANCE SHEET

AS AT 2 JULY 2023

	Notes	£	2 July 2023 £	£	3 July 2022 £
Fixed assets					
Intangible assets	10		4,190		6,558
Tangible assets	11		5,388,664		519,810
Investments	12		200,109		200,109
			<u>5,592,963</u>		<u>726,477</u>
Current assets					
Stocks	14	125,305		13,709	
Debtors	15	9,446,747		13,786,804	
Cash at bank and in hand		1,143,489		781,427	
			<u>10,715,541</u>	<u>14,581,940</u>	
Creditors: amounts falling due within one year	16	(9,541,622)		(9,721,491)	
			<u>1,173,919</u>		<u>4,860,449</u>
Net current assets					
			<u>6,766,882</u>		<u>5,586,926</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	17		(4,638,293)		(2,085,119)
Provisions for liabilities					
Deferred tax liability	19	488,859		-	
			<u>(488,859)</u>	<u>-</u>	<u>-</u>
Net assets			<u>1,639,730</u>		<u>3,501,807</u>
Capital and reserves					
Called up share capital	22		200		200
Profit and loss reserve	23		1,639,530		3,501,607
Total equity			<u>1,639,730</u>		<u>3,501,807</u>

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

N Simeone
Director

Company Registration No. SC588879

SIX BY NICO (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 2 JULY 2023

	Share capital	Profit and loss reserve	Total
	£	£	£
Balance at 28 June 2021	200	374,312	374,512
Period ended 3 July 2022:			
Profit and total comprehensive income for the period	-	3,127,295	3,127,295
Balance at 3 July 2022	200	3,501,607	3,501,807
Period ended 2 July 2023:			
Loss and total comprehensive expense for the period	-	(1,862,077)	(1,862,077)
Balance at 2 July 2023	200	1,639,530	1,639,730

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 JULY 2023

1 Accounting policies

Company information

Six By Nico (Holdings) Limited is a private company limited by shares incorporated in Scotland. The registered office is 227 West George Street, Glasgow, G2 2ND.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements (where applicable):

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Six By Nico (Holdings) Limited is a majority owned subsidiary of Sixco Limited and the results of Six By Nico (Holdings) Limited are included in the consolidated financial statements of Sixco Limited. These consolidated financial statements are available from its registered office, 227 West George Street, Glasgow, United Kingdom, G2 2ND.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

Having considered the financial position and outlook the directors are satisfied that the company has the financial resources to continue to trade in the ordinary course of business for the foreseeable future. Accordingly the financial statements are prepared under the going concern basis of accounting.

1.3 Reporting period

These financial statements cover the period from 4 July 2022 to 2 July 2023. The company's accounting reference date is 30 June and the company closes its books at the end of the trading week adjacent to the accounting reference date, which for this year was 2 July 2023. Accordingly, this year represents a 52 week trading period and the balance sheet represents the position at that date.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Patents & licences	5 years straight line
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1.6 Tangible fixed assets

Tangible fixed assets are initially recorded at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the length of the lease or period of benefit if shorter
Fixtures and fittings	5 years straight line
Computer equipment	4 years straight line
Motor vehicles	4 years straight line
Kitchen & restaurant equipment	5 years straight line

Assets in the course of construction are not depreciated. Upon completion of the asset, it is transferred to the relevant asset class and depreciated from the date it is available for use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the statement of comprehensive income.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised in the statement of comprehensive income when identified.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Any loss is recognised in the statement of comprehensive income when identified.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

1 Accounting policies

(Continued)

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include certain debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including certain creditors and loans from fellow group companies, are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are expensed as they are incurred.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Restaurant food and beverage sales	24,704,329	-
Release of deferred income	-	1,250,284
Management charges	151,743	620,000
Dividends from subsidiaries	153,161	4,635,000
Income from insurance claims	113,093	-
	<u>25,122,326</u>	<u>6,505,284</u>

On 4 July 2022 the restaurant operations of the subsidiaries were transferred to the company.

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

3 Exceptional costs and other items

	2023	2022
	£	£
Expenditure		
Costs in relation to temporary closure of a restaurant	540,450	-
Exceptional legal and professional fees	160,638	-
Restructuring costs	-	81,701
New restaurant start up costs	258,920	-
Other	48,544	-
	<u>1,008,552</u>	<u>81,701</u>

Costs in relation to the temporary closure of a restaurant, while not exceptional in nature, have been classified separately along with the other noted costs above to assist the reader's understanding of the financial statements.

4 Operating profit

	2023	2022
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(30)	297
Government grants	-	(4,694)
Fees payable to the company's auditor for the audit of the company's financial statements	39,300	9,000
Depreciation of owned tangible fixed assets	444,749	43,849
Amortisation of intangible assets	2,368	2,186
Operating lease charges	<u>1,007,822</u>	<u>17,582</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2023	2022
	Number	Number
Head office	35	36
Restaurant	<u>440</u>	<u>367</u>
Total	<u>475</u>	<u>403</u>

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

5 Employees (Continued)

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	10,273,903	1,761,251
Social security costs	596,613	204,044
Pension costs	93,723	26,976
	<u>10,964,239</u>	<u>1,992,271</u>

In the prior reporting period, the company recharged the wages and salaries costs of the restaurant staff to the subsidiary undertakings conducting the operations. As the restaurant operations were transferred to the company on 4 July 2022, no such recharge is necessary for the current period.

The aggregate remuneration prior to recharges in the prior period was £9,998,162.

6 Directors' remuneration

No remuneration was paid to the directors. The directors who are also directors of Sixco Limited, the parent company, were remunerated through that entity.

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest receivable from group companies	573,775	565,863
	<u>573,775</u>	<u>565,863</u>

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	407,886	139,659
Interest payable to group undertakings	569,317	644,534
	<u>977,203</u>	<u>784,193</u>

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	82,494	-
Adjustments in respect of prior periods	3,630,004	241,868
Group tax relief	(14)	(468,265)
	<u>3,712,484</u>	<u>(226,397)</u>

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

9	Taxation	(Continued)	
		2023	2022
		£	£
	Deferred tax		
	Origination and reversal of timing differences	214,753	-
	Adjustment in respect of prior periods	(87,947)	-
	Total deferred tax	126,806	-
	Total tax charge/(credit)	3,839,290	(226,397)

The actual charge/(credit) for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	1,977,213	2,900,898
Expected tax charge based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	405,329	551,171
Tax effect of expenses that are not deductible in determining taxable profit	44,547	36,600
Tax effect of income not taxable in determining taxable profit	(31,398)	(880,650)
Change in unrecognised deferred tax assets	(121,696)	(76,431)
Adjustments in respect of charge for group relief in prior years	3,630,004	241,868
Effect of change in corporation tax rate	48,353	52,417
Group relief	14	468,265
Payment/(receipt) in respect of group relief	(14)	(468,265)
Deferred tax adjustments in respect of prior years	(87,947)	-
Fixed asset differences	48,605	(8,316)
Other differences	(96,507)	(143,056)
Taxation charge/(credit) for the period	3,839,290	(226,397)

The adjustment in respect of charge for group relief in prior years relates to amounts charged by Home-X Labs Limited to the Company for losses previously submitted for group relief which reduced the company's corporation tax liability in those years.

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

10 Intangible fixed assets

	Patents & licences £
Cost	
At 4 July 2022 and 2 July 2023	8,744
	<hr/>
Amortisation and impairment	
At 4 July 2022	2,186
Amortisation charged for the period	2,368
	<hr/>
At 2 July 2023	4,554
	<hr/>
Carrying amount	
At 2 July 2023	4,190
	<hr/>
At 3 July 2022	6,558
	<hr/>

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 2 JULY 2023

11	Tangible fixed assets						
	Leasehold improvements	Assets under construction	Fixtures and fittings	Computer equipment	Motor vehicles	Kitchen & restaurant equipment	Total
	£	£	£	£	£	£	£
Cost							
At 4 July 2022	-	73,761	297,110	194,301	15,443	-	580,615
Additions	805,283	1,087,022	54,361	41,373	-	159,283	2,147,322
Disposals	-	-	-	(14,167)	-	-	(14,167)
Transfer from fellow group undertakings	2,897,290	199,477	279,665	73,604	-	516,816	3,966,852
Transfer between line items	399,609	(425,653)	10,861	790	-	14,393	-
At 2 July 2023	4,102,182	934,607	641,997	295,901	15,443	690,492	6,680,622
Depreciation and impairment							
At 4 July 2022	-	-	35,671	22,717	2,417	-	60,805
Depreciation charged in the period	186,427	-	80,555	48,371	3,860	125,536	444,749
Transfer from fellow group undertakings	391,104	-	63,348	43,960	-	287,992	786,404
At 2 July 2023	577,531	-	179,574	115,048	6,277	413,528	1,291,958
Carrying amount							
At 2 July 2023	3,524,651	934,607	462,423	180,853	9,166	276,964	5,388,664
At 3 July 2022	-	73,761	261,439	171,584	13,026	-	519,810

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

12 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	13	109	109
Unlisted investments		200,000	200,000
		<u>200,109</u>	<u>200,109</u>

13 Subsidiaries

Details of the company's subsidiaries at 2 July 2023, all of which are wholly owned, are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Six by Nico (Glasgow) Limited	1	Property rental	Ordinary	100.00
Six by Nico (Edinburgh) Limited	1	Property rental	Ordinary	100.00
Six by Nico (Belfast) Limited	1	Property rental	Ordinary	100.00
Supper Club (South) Limited	1	Non-trading	Ordinary	100.00
Six by Nico (Fitzrovia) Limited	1	Property rental	Ordinary	100.00
Six by Nico (Manchester) Limited	1	Non-trading	Ordinary	100.00
Six by Nico (Liverpool) Limited	1	Property rental	Ordinary	100.00
Six by Nico (Dublin) FD Limited	2	Licensed restaurant	Ordinary	100.00
Six by Nico (Byres Road) Limited	1	Non-trading	Ordinary	100.00
Six by Nico (Canary Wharf) Limited	1	Property rental	Ordinary	100.00
Six by Nico (Aberdeen) Limited	1	Property rental	Ordinary	100.00
Six by Nico (Leeds) Limited	3	Property rental	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 227 West George Street, Glasgow, G2 2ND
- 2 RBK House, Irishtown, Athlone, Co. Westmeath, Ireland
- 3 Birchin Court, 20 Birchin Lane, London, EC3V 9DU

14 Stocks

	2023 £	2022 £
Food and beverage	<u>125,305</u>	<u>13,709</u>

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	4,027	-
Corporation tax recoverable	167,506	-
Amounts owed by group undertakings	5,077,541	8,090,646
Amounts owed by subsidiaries	2,443,311	4,908,411
Other debtors	944,148	725,141
Prepayments and accrued income	810,214	62,606
	<u>9,446,747</u>	<u>13,786,804</u>

Amounts owed by group companies accrue interest at 7.25% and are receivable on demand.

16 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans and overdrafts	18	1,147,039	525,115
Trade creditors		909,703	658,549
Amounts owed to group undertakings		4,525,449	4,316,321
Amounts owed to subsidiaries		213,603	2,881,933
Taxation and social security		884,911	323,145
Deferred income	20	856,015	900,255
Other creditors		23,970	83,488
Accruals		980,932	32,685
		<u>9,541,622</u>	<u>9,721,491</u>

Amounts owed to group undertakings accrue interest at 7.25% and are payable on demand.

17 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	18	<u>4,638,293</u>	<u>2,085,119</u>

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	5,785,332	2,600,000
Bank overdrafts	-	10,234
	<u>5,785,332</u>	<u>2,610,234</u>
Payable within one year	1,147,039	525,115
Payable after one year	<u>4,638,293</u>	<u>2,085,119</u>

Bank loans are secured by floating charges over the assets of the company and group, with cross guarantees being in place. The bank loans bear interest at 7.25% per annum and mature in August 2026.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	489,277	-
Short term timing difference	(418)	-
	<u>488,859</u>	<u>-</u>
Movements in the period:		2023 £
Liability at 4 July 2022		-
Transferred from fellow group undertakings		362,053
Charge to profit or loss		126,806
Liability at 2 July 2023		<u>488,859</u>

20 Deferred income

	2023 £	2022 £
Other deferred income	<u>856,015</u>	<u>900,255</u>

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

21 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	93,723	26,976

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the reporting date, pension contributions of £4,459 (2022 - £34,822) remained payable by the company and included within creditors due within one year.

22 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	200	200	200	200

23 Profit and loss reserve

Profit and loss reserve represents accumulated profits for the current and prior periods, less any dividends paid.

24 Financial commitments, guarantees and contingent liabilities

The company is a guarantor and obligor under borrowing facilities provided to Sixco Limited, the immediate parent company. At 2 July 2023, the contingent liability under this arrangement amounted to £4,589,878 (2022 - £5,331,680).

25 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	1,172,750	26,496
Between two and five years	5,066,001	55,200
In over five years	13,670,725	-
	19,909,476	81,696

26 Events after the reporting date

Four new Six by Nico restaurants have opened since the balance sheet date; Leeds on 3 July 2023, Cardiff on 14 August 2023 and Birmingham and Manchester (Deansgate) (both opened 30 November 2023).

SIX BY NICO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 2 JULY 2023

27 Related party transactions

The company has taken advantage of the exemption available in Section 33 of FRS 102 whereby it has not disclosed transactions with the immediate parent or any wholly owned subsidiary undertaking of the group.

Amounts owed by parties related by virtue of common control at the balance sheet date were £5,721,866 (2022 - £3,792,855). Amounts owed to parties related by virtue of common control at the balance sheet date were £4,525,449 (2022 - £3,084,811).

Management charges paid to the ultimate parent company amounted to £360,000 (2022 - £360,000).

Management charges paid to directors in the year were £44,622 (2022 - £38,000).

There were purchases relating to wine for the trading restaurants from a fellow group company of £1,225,356 (2022 - £466,719).

28 Ultimate controlling party

The company's immediate parent company is Sixco Limited. Sixco Limited is the smallest group of companies in which Six by Nico (Holdings) Limited is included in the consolidated accounts.

The ultimate parent company is VVS Investments Limited, which is controlled by Nico Simeone, director, by virtue of his interest in its issued share capital. VVS Investments Limited is the largest group of companies in which Six by Nico (Holdings) Limited is included in the consolidated accounts.

Group accounts for the above entities can be obtained from Companies House, 4th Floor, Edinburgh Quay, 139 Fountainbridge, Edinburgh EH3 9FF.

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