Company Registration No. 08831542 (England and Wales)

FIREFLY CAPITAL LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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FIREFLY CAPITAL LTD

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FIREFLY CAPITAL LTD

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**3**		281,131		470,156
Investments	**4**		281,867		281,866
			562,998		752,022
Current assets					
Debtors	**6**	5,960,596		5,505,603	
Cash at bank and in hand		900,693		1,666,782	
		6,861,289		7,172,385	
Creditors: amounts falling due within one year	**7**	(12,308,273)		(12,708,250)	
Net current liabilities			(5,446,984)		(5,535,865)
Total assets less current liabilities			(4,883,986)		(4,783,843)
Provisions for liabilities			(381,433)		(436,466)
Net liabilities			(5,265,419)		(5,220,309)
Capital and reserves					
Called up share capital			10,001		10,001
Profit and loss reserves			(5,275,420)		(5,230,310)
Total equity			(5,265,419)		(5,220,309)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

FIREFLY CAPITAL LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The financial statements were approved by the board of directors and authorised for issue on 18 September 2024 and are signed on its behalf by:

D Bearman
Director

Company Registration No. 08831542

1 Accounting policies

Company information

Firefly Capital Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 7th Floor, South Block, 55 Baker Street, London, W1U 8EW.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In assessing whether the going concern basis is appropriate, the directors have considered that the ultimate shareholder will continue to support the Company for a period of no less than twelve months from the date of the accounts. The financial statements do not include any adjustments that would be necessary if the going concern basis was not appropriate.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover includes intercompany recharges for administrative and financial support provided during the year.

1.4 Tangible fixed assets

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

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

Leasehold improvements	Straight line basis over the term of the lease
Fixtures and fittings	3 years straight line
Computers	3 years straight line

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 profit or loss.

1 Accounting policies **(Continued)**

1.5 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 immediately in profit or loss.

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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

1.9 Equity instruments

Equity instruments issued by the company are recorded as 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.

1.10 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 year. Taxable profit differs from net profit as reported in the profit and loss account 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.

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 profit and loss account, 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.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 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.

1 Accounting policies **(Continued)**

1.16 Related party disclosure

The company has taken advantage of the exemptions provided by paragraph 1AC.35 of FRS 102 and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

1.17 Group relief

Charges for amounts payable in respect of tax losses surrendered to the company or credits for amounts receivable in respect of tax losses surrendered by the company and utilised by other group companies are recognised in the year in which management make the decision to surrender tax losses, or otherwise, which requires an assessment of the overall group position for which not all information is available at the date of preparing the financial statements to accurately estimate the financial effect.

2 Employees

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

	2023 Number	2022 Number
Total	22	20

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2023	1,737,359	967,951	2,705,310
Additions	60,284	23,354	83,638
At 31 December 2023	1,797,643	991,305	2,788,948
Depreciation and impairment			
At 1 January 2023	1,575,810	659,344	2,235,154
Depreciation charged in the year	143,150	129,513	272,663
At 31 December 2023	1,718,960	788,857	2,507,817
Carrying amount			
At 31 December 2023	78,683	202,448	281,131
At 31 December 2022	161,549	308,607	470,156

3 Tangible fixed assets **(Continued)**

4 Fixed asset investments

	2023	2022
	£	£
Shares in group undertakings and participating interests	281,867	281,866

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2023	281,866
Additions	1
At 31 December 2023	281,867
Carrying amount	
At 31 December 2023	281,867
At 31 December 2022	281,866

5 Contingent assets

At the balance sheet date the company had accumulated tax adjusted trading losses which it intends to use against future trading profits.

Due to the uncertainty around the timing of when tax losses will be used it is not practical to measure the financial effect on the financial statements, or to recognise a deferred tax asset.

6 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	-	360
Amounts owed by related parties	1,278,334	665,966
Amounts owed by group undertakings	4,254,732	4,386,058
Other debtors	427,530	453,219
	5,960,596	5,505,603

7 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	133,643	48,867
Amounts owed to group undertakings	382,061	355,025
Taxation and social security	161,823	124,875
Amounts owed to related parties	10,839,672	11,758,124
Other creditors	791,074	421,359
	12,308,273	12,708,250

Amounts owed to related parties

Within amounts owed to related parties are loans from Mr H D Nathanson and Luciole Jersey Investor Limited, a company wholly owned by Mr H D Nathanson. The loans are interest free and repayable on demand. The carrying amount at the year end was £10,729,243 (2022 - £11,707,482), with £5,785,143 (2022 - £6,763,382) due to Mr H D Nathanson and £4,944,100 (2022 - £4,944,100) due to Luciole Jersey Investor Limited (a company wholly owned by Mr H D Nathanson).

8 Related party transactions

Transactions with related parties

During the year, entities under common control of Mr H D Nathanson and his family, (including Mr H D Nathanson as an individual) or for which Mr H D Nathanson is a member of the key management personnel, were charged £3,429,821 (2022 - £2,681,694) by the company for administrative, other services and rent. The company was charged £68,356 (2022 - £84,923) by these entities for services and other expenses incurred on the company's behalf.
At the year end, amounts due to Mr H D Nathanson and the entities under his control were £9,539,600 (2022 - £11,070,178)

During the year, Bancroft Capital Limited, a company under the control of one of the directors, was charged £20,000 (2022 - £20,000) by the company for administrative and other services and rent. Bancroft Capital Limited charged the company £255,354 (2022 - £288,718) for consultancy services.

At the year end, the net amount due to Bancroft Capital Limited was £21,738 (2022 - £21,724).