

# Fargo Trading Ltd

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 July 2019

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**Fargo Trading Ltd**

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**Fargo Trading Ltd**  
**Company Information**

**Director** Mr Peter Wells

**Company secretary** Mr Peter Wells

**Registered office** The Railway Station  
Station Road  
Maiden Newton  
Dorset  
DT2 0AE

**Accountants** Robert A Harris & Co  
Mr R A Harris BA ACMA  
Business & Technology Centre  
Bessemer Drive  
Stevenage  
Herts  
SG1 2DX

# Fargo Trading Ltd

**(Registration number: 08631151)**  
**Balance Sheet as at 31 July 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	7,818	9,745
<b>Current assets</b>			
Stocks	<u>5</u>	88,552	57,264
Debtors	<u>6</u>	17,122	5,955
Cash at bank and in hand		<u>72,227</u>	<u>89,766</u>
		177,901	152,985
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	<u>(61,407)</u>	<u>(61,166)</u>
<b>Net current assets</b>		<u>116,494</u>	<u>91,819</u>
<b>Net assets</b>		<u>124,312</u>	<u>101,564</u>
<b>Capital and reserves</b>			
Called up share capital	<u>8</u>	1	1
Profit and loss account		<u>124,311</u>	<u>101,563</u>
Total equity		<u>124,312</u>	<u>101,564</u>

For the financial year ending 31 July 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 9 April 2020

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Mr Peter Wells  
Company secretary and director

The notes on pages 3 to 8 form an integral part of these financial statements.  
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# **Fargo Trading Ltd**

## **Notes to the Financial Statements for the Year Ended 31 July 2019**

### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

The Railway Station  
Station Road  
Maiden Newton  
Dorset  
DT2 0AE

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements have been prepared in Sterling and all monetary amounts in the financial statements have been rounded to the nearest £.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

# Fargo Trading Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2019

### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance
Office equipment	50% straight line

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### Borrowings

# **Fargo Trading Ltd**

## **Notes to the Financial Statements for the Year Ended 31 July 2019**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

### **3 Staff numbers**

The average number of persons employed by the company (including the director) during the year, was 4 (2018 - 3).

# Fargo Trading Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 August 2018	7,108	21,400	28,508
Additions	987	-	987
At 31 July 2019	8,095	21,400	29,495
<b>Depreciation</b>			
At 1 August 2018	6,015	12,748	18,763
Charge for the year	751	2,163	2,914
At 31 July 2019	6,766	14,911	21,677
<b>Carrying amount</b>			
At 31 July 2019	1,329	6,489	7,818
At 31 July 2018	1,093	8,652	9,745

### 5 Stocks

	2019 £	2018 £
Other inventories	88,552	57,264

### 6 Debtors

	2019 £	2018 £
Trade debtors	14,808	-
Prepayments	2,314	5,955
	17,122	5,955

# Fargo Trading Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 7 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
<b>Due within one year</b>			
Loans and borrowings	<u>9</u>	-	3,069
Trade creditors		8,256	6,391
Taxation and social security		12,332	15,405
Accruals and deferred income		2,976	2,976
Other creditors		37,843	33,325
		<u>61,407</u>	<u>61,166</u>

### 8 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 9 Loans and borrowings

	2019 £	2018 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	-	3,069
	<u>-</u>	<u>3,069</u>

### 10 Dividends

	2019 £	2018 £
Interim dividend of £5,000 (2018 - £5,000) per ordinary share	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

# Fargo Trading Ltd

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 11 Related party transactions

#### Transactions with directors

	At 1 August 2018 £	Advances to directors £	Other payments made to company by director £	At 31 July 2019 £
<b>2019</b>				
<b>Mr Peter Wells</b>	(33,325)	17,903	(22,421)	(37,843)

	At 1 August 2017 £	Advances to directors £	Other payments made to company by director £	At 31 July 2018 £
<b>2018</b>				
<b>Mr Peter Wells</b>	(28,211)	10,223	(15,338)	(33,325)

### 12 Transition to FRS 102

There were no transitional adjustments for FRS 102.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.