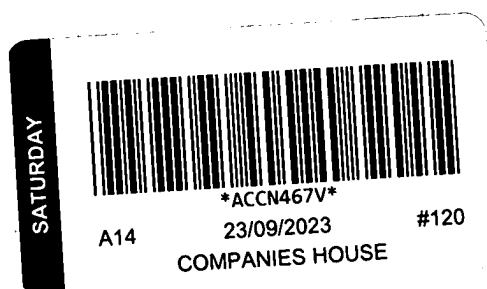


FARGO SYSTEMS LIMITED

Company registration number:

04464382

FARGO SYSTEMS LIMITED
Unaudited filleted financial statements
For the year ended 31 December 2022



FARGO SYSTEMS LIMITED

Contents

	Page
Statement of financial position	1
Notes to the financial statements	2-6

FARGO SYSTEMS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	4	100,157		100,840	
Tangible assets	5	<u>13,951</u>		<u>15,219</u>	
			114,108		116,059
Current assets					
Debtors	6	2,472,864		965,481	
Cash at bank and in hand		<u>1,562,282</u>		<u>1,850,067</u>	
		4,035,146		2,815,548	
Creditors: amounts falling due within one year	7	<u>(1,252,911)</u>		<u>(1,220,171)</u>	
Net current assets			<u>2,776,137</u>		<u>1,595,377</u>
Total assets less current liabilities			<u>2,782,234</u>		<u>1,711,436</u>
Provision for liabilities					
Deferred taxation			(2,733)		(2,733)
Net assets			<u>2,893,609</u>		<u>1,708,703</u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss account			<u>2,892,609</u>		<u>1,707,703</u>
Shareholders' funds			<u>2,893,609</u>		<u>1,708,703</u>

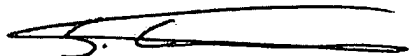
For the year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies:

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 4 September 2023, and are signed on behalf of the board by:



Mr S N Collins
Director

FARGO SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Berkeley House, Dix's Field, Exeter, EX1 1PZ.

The principal activity of the company is the development and supply of transport management software.

Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, "The Financial Reporting Standard applicable in the UK and Republic of Ireland including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

2.2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

2.3 Turnover

Turnover represents amounts invoiced excluding VAT. When customers are invoiced in advance by reference to a period of time for the provision of a service, the invoiced value is matched to the service period to which it relates. The value of any amounts matched to periods after the financial year-end is carried forward to those periods as a liability in the balance sheet under the heading "Accruals and deferred income".

2.4 Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

FARGO SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

2.5 Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

2.6 Intangible assets Intellectual property rights

Intellectual property rights relate to the title and interest which the company acquired to the rights relating to the source code of the "TOPS" software. It is amortised to profit and loss account over its estimated useful life which is deemed to be 5 years.

Development costs

Software development costs represent a proportion of software developers' salaries and pension costs. These costs relate to the development of work undertaken on the "TOPS" software package and are capitalised on the basis that the following conditions are met:

- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and,
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period when it is incurred.

Release of costs

Development expenditure capitalised in accordance with the above policy is written off over the expected life of the project which is 3 years. If there is an indication that there has been a significant change in the useful life or residual value of an intangible asset, the amortisation rate is revised prospectively to reflect the new estimates.

2.7 Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

FARGO SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

Depreciation (continued)

Short leasehold	- 20% straight line
Office equipment	- 33% straight line
Computer equipment	- 33% straight line

If there is an indication that there has been a significant change in, useful life or residual value of tangible assets, the depreciation rate is revised prospectively to reflect the new estimates.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowing or current liabilities. **Financial Instruments** A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

2.9 Foreign currency translation

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of period end monetary balances (which are translated at the prevailing spot rate) are taken to the statement of comprehensive income.

2.10 Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. Employee numbers

The average number of persons employed was as 24 (2021: 24)

FARGO SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022**

4. Intangible assets

	Development Costs	Intellectual Property	Other	Total
	£	£	£	£
Cost				
At 1 January 2022	1,411,171	2,999	15,315	1,429,485
Additions	102,300	-	-	102,300
At 31 December 2022	1,513,471	2,999	15,315	1,531,785
Depreciation				
At 1 January 2022	1,312,694	2,999	12,952	1,328,645
Charge for the period	100,620	-	2,363	2,363
At 31 December 2022	1,413,314	2,999	15,315	1,431,628
Net Book Value				
At 31 December 2022	100,157	-	-	100,157
At 31 December 2021	98,477	-	2,363	100,840

5. Tangible assets

	Short Leasehold	Office Equipment	Computer Equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	2,290	41,758	179,898	223,946
Additions	-	-	10,023	10,023
At 31 December 2022	2,290	41,758	189,921	233,969
Depreciation				
At 1 January 2022	2,290	38,374	168,063	208,727
Charge for the period	-	1,798	9,493	11,291
At 31 December 2022	2,290	40,172	177,556	220,018
Net Book Value				
At 31 December 2022	-	1,586	12,365	13,951
At 31 December 2021	-	3,384	11,835	15,219

FARGO SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022**

6. Debtors

	2022	2021
	£	£
Trade debtors	801,294	830,059
Other debtors	2,959	2,959
Prepayments and accrued income	26,133	132,463
Amounts owed by parent undertaking	<u>1,642,478</u>	-
	<u>2,472,864</u>	<u>965,481</u>

7. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	19,761	19,145
Corporation tax	190,200	105,325
Social security and other taxes	186,763	165,025
Other creditors	7,549	5,593
Accruals and deferred income	<u>848,638</u>	<u>925,083</u>
	<u>1,252,911</u>	<u>1,220,171</u>

8. Reserves

Profit and loss account:

This reserve records retained earnings and accumulated losses.

9. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid 1,000 Ordinary shares of £1	<u>1,000</u>	<u>1,000</u>

10. Controlling party

The Company is a wholly owned subsidiary of FSL Holding Ltd. There is no ultimate controlling party.