

Registration number: OC420908

The Margate Coffee Shed LLP

Annual Report and Unaudited Financial Statements

for the Year Ended 29 February 2020

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The Margate Coffee Shed LLP

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The Margate Coffee Shed LLP

Limited liability partnership information

Members	Mrs Lynn Ellis Miss Kathrine Stanier
Registered office	12-13 The Parade Margate Kent CT9 1EY
Accountants	Rmv Partnership Accountants & Tax Advisors 2 Harold Road Cliftonville Margate Kent CT9 2HT

The Margate Coffee Shed LLP

Members' Report for the Year Ended 29 February 2020

The members present their report and the unaudited financial statements for the year ended 29 February 2020.

Firm structure

The LLP is a limited liability partnership registered in England. A list of designated members' names is available for inspection at the LLP's registered office.

Principal activity

The principal activity of the limited liability partnership is coffee shop

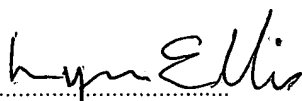
Review of the business and future developments

The results are considered satisfactory.

Members' drawings and the subscription and repayment of members' capital

Drawings are by agreement of the partners.

Approved by the Board on 20 October 2020 and signed on its behalf by:


.....
Mrs. Lynn Ellis
Member

**Accountants' Report to the Members on the Preparation of the Unaudited Statutory
Accounts of
The Margate Coffee Shed LLP
for the Year Ended 29 February 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, as applied to limited liability partnerships, we have prepared for your approval the accounts of The Margate Coffee Shed LLP for the year ended 29 February 2020 set out on pages 4 to 16 from the limited liability partnership's accounting records and from information and explanations you have given us.

This report is made solely to the members of The Margate Coffee Shed LLP, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of The Margate Coffee Shed LLP and state those matters that we have agreed to state to them, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Margate Coffee Shed LLP and its members as a body for our work or for this report.

It is your duty to ensure that The Margate Coffee Shed LLP has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of The Margate Coffee Shed LLP. You consider that The Margate Coffee Shed LLP is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of The Margate Coffee Shed LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Rmv Partnership
Accountants & Tax Advisors
2 Harold Road
Cliftonville
Margate
Kent
CT9 2HT
20 October 2020

The Margate Coffee Shed LLP

Profit and Loss Account for the Year Ended 29 February 2020

	Note	Year ended 29 February 2020 £	6 February 2018 to 28 February 2019 £
Turnover		253,419	133,538
Cost of sales		<u>(94,702)</u>	<u>(47,523)</u>
Gross profit		158,717	86,015
Administrative expenses		(113,917)	(58,005)
Other operating income		<u>7,353</u>	<u>6,577</u>
Operating profit	2	<u>52,153</u>	<u>34,587</u>
Profit for the year before members' remuneration charged as an expense		<u>52,153</u>	<u>34,587</u>
Profit for the year available for discretionary division among members		<u><u>52,153</u></u>	<u><u>34,587</u></u>

Turnover and operating profit derive wholly from continuing operations.

The limited liability partnership has no recognised gains or losses for the year other than the results above.

The Margate Coffee Shed LLP

(Registration number: OC420908)
Balance Sheet as at 29 February 2020

	Note	29 February 2020 £	28 February 2019 £
Fixed assets			
Tangible assets	4	37,630	35,966
Current assets			
Stocks	5	5,849	7,058
Debtors	6	9,383	2,933
Cash and short-term deposits		32,992	56,048
		48,224	66,039
Creditors: Amounts falling due within one year	7	(6,072)	(6,012)
Net current assets		42,152	60,027
Net assets attributable to members		79,782	95,993
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		(6,958)	61,406
Equity			
Other reserves		86,740	34,587
		79,782	95,993
Total members' interests			
Loans and other debts due to members		(6,958)	61,406
Equity		86,740	34,587
		79,782	95,993

For the year ending 29 February 2020 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied to limited liability partnerships relating to small entities.

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

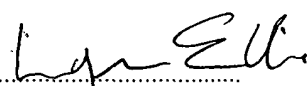
The financial statements of The Margate Coffee Shed LLP (registered number OC420908) were approved by the Board and authorised for issue on 20 October 2020. They were signed on behalf of the limited liability partnership by:

The notes on pages 8 to 16 form an integral part of these financial statements.

The Margate Coffee Shed LLP

(Registration number: OC420908)

Balance Sheet as at 29 February 2020 (continued)


.....
Mrs Lynn Ellis
Member

The notes on pages 8 to 16 form an integral part of these financial statements.

The Margate Coffee Shed LLP

Statement of Changes in Members' Interests At 29 February 2020

	<u>Equity</u>		<u>Loans and other debts due to/(from) members</u>	
	<u>Other reserves</u>	<u>Total</u>	<u>Members' capital classified as a liability</u>	<u>Total 2020</u>
	£	£	£	£
Members' interest at 1 March 2019 as restated	-	-	61,406	61,406
Profit for the financial year available for discretionary division among members	52,153	52,153	-	52,153
At 29 February 2020	52,153	52,153	61,406	113,559

	<u>Equity</u>		
	<u>Other reserves</u>	<u>Total</u>	<u>Total 2020</u>
	£	£	£
Profit for the financial year available for discretionary division among members	34,587	34,587	34,587
At 28 February 2019	34,587	34,587	34,587

The notes on pages 8 to 16 form an integral part of these financial statements.

The Margate Coffee Shed LLP

Notes to the Financial Statements

1 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.

General information and basis of accounting

The limited liability partnership is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on the limited liability partnership information page. The nature of the limited liability partnership's operations and its principal activities are given in the members' report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014).

The functional currency of The Margate Coffee Shed LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the limited liability partnership operates. Foreign operations are included in accordance with the policies set out below.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales tax or duty.

Barter transactions

Turnover is recognised in respect of barter transactions only where services are exchanged for dissimilar services and the transaction is deemed to have commercial substance. Such transactions are measured at the fair value of the services received, adjusted by any amount of cash and cash equivalents transferred.

Members' remuneration and division of profits

The SORP recognises that the basis of calculating profits for allocation may differ from the profits reflected through the financial statements prepared in compliance with recommended practice, given the established need to seek to focus profit allocation on ensuring equity between different generations and populations of members.

Consolidation of the results of certain subsidiary undertakings, the provision for annuities to current and former members, pension scheme charges, the spreading of acquisition integration costs and the treatment of long leasehold interests are all items which may generate differences between profits calculated for the purpose of allocation and those reported within the financial statements. Where such differences arise, they have been included within other amounts in the balance sheet.

Members' fixed shares of profits (excluding discretionary fixed share bonuses) and interest earned on members' balances are automatically allocated and, are treated as members' remuneration charged as an expense to the profit and loss account in arriving at profit available for discretionary division among members.

The remainder of profit shares, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

The Margate Coffee Shed LLP

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Taxation

The taxation payable on the partnership's profits is the personal liability of the members, although payment of such liabilities is administered by the partnership on behalf of its members. Consequently, neither partnership taxation or related deferred taxation are accounted for in these financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members, or are set against amounts due from members as appropriate.

Tangible fixed assets

Individual fixed assets costing or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and Fittings	15% per annum on the reducing balance

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

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 limited liability partnership will not be able to collect all amounts due according to the original terms of the receivables.

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.

Members' interests

Amounts due to members after more than one year comprise provisions for annuities to current members and certain loans from members which are not repayable within twelve months of the balance sheet date.

The Margate Coffee Shed LLP

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Financial instruments

Classification

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the limited liability partnership intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Recognition and Measurement

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

The Margate Coffee Shed LLP

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Impairment of financial assets

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the limited liability partnership transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the limited liability partnership, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments and hedging

Derivatives

The limited liability partnership uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The limited liability partnership does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedging

The limited liability partnership designates certain derivatives as hedging instruments in respect of variable interest rate risk of the cash flows associated with recognised debt instruments measured at amortised cost and in respect of foreign exchange risk in firm commitments and highly probable forecast transactions.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with the clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge and on an ongoing basis, the limited liability partnership assesses whether the hedging instrument is highly effective in offsetting the designated hedged risk. The effective portion of changes in the fair value of the designated hedging instrument is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the limited liability partnership revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

Current versus non-current classification

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the limited liability partnership balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

The Margate Coffee Shed LLP

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

The Margate Coffee Shed LLP

Notes to the Financial Statements (continued)

2 Operating profit

Operating profit is stated after charging:

	Year ended 29 February 2020	6 February 2018 to 28 February 2019
	£	£
Operating leases - other assets	28,000	16,333
Depreciation of owned assets	<u>3,333</u>	<u>3,040</u>

3 Particulars of employees

The average number of persons employed by the limited liability partnership (including members) during the year, analysed by category was as follows:

	Year ended 29 February 2020	6 February 2018 to 28 February 2019
	No.	No.
Management	3	3
Shop	<u>4</u>	<u>4</u>
	<u>7</u>	<u>7</u>

The aggregate payroll costs were as follows:

The Margate Coffee Shed LLP

Notes to the Financial Statements (continued)

3 Particulars of employees (continued)

	Year ended 29 February 2020 £	6 February 2018 to 28 February 2019 £
Wages and salaries	<u>58,741</u>	<u>22,655</u>

4 Tangible fixed assets

	Long leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 March 2019	18,742	20,264	39,006
Additions	<u>-</u>	<u>4,997</u>	<u>4,997</u>
At 29 February 2020	<u>18,742</u>	<u>25,261</u>	<u>44,003</u>
Depreciation			
At 1 March 2019	-	3,040	3,040
Charge for the year	<u>-</u>	<u>3,333</u>	<u>3,333</u>
At 29 February 2020	<u>-</u>	<u>6,373</u>	<u>6,373</u>
Net book value			
At 29 February 2020	<u>18,742</u>	<u>18,888</u>	<u>37,630</u>
At 28 February 2019	<u>18,742</u>	<u>17,224</u>	<u>35,966</u>

Included within the net book value of land and buildings above is £Nil (2019 - £Nil) in respect of freehold land and buildings and £18,742 (2019 - £18,742) in respect of leaseholds.

The Margate Coffee Shed LLP

Notes to the Financial Statements (continued)

5 Stocks

	29 February 2020 £	28 February 2019 £
Stocks	<u>5,849</u>	<u>7,058</u>

6 Debtors

	29 February 2020 £	28 February 2019 £
Other debtors	<u>9,383</u>	<u>2,933</u>

7 Creditors: Amounts falling due within one year

	29 February 2020 £	28 February 2019 £
Other taxes and social security	4,812	4,812
Accruals and deferred income	<u>1,260</u>	<u>1,200</u>
	<u>6,072</u>	<u>6,012</u>

8 Cash flow statement

	29 February 2020 £	28 February 2019 £
Operating profit	52,153	34,587
Depreciation, amortisation and impairment charges	3,333	3,040
Decrease/(increase) in stocks	1,209	(7,058)
Increase in debtors	(6,450)	(2,933)
Increase in creditors	<u>60</u>	<u>6,012</u>
Cash generated by operations	<u>50,305</u>	<u>33,648</u>
Net cash inflow from operating activities	<u>50,305</u>	<u>33,648</u>

9 Control

The members are the controlling party by virtue of their controlling interest in the limited liability partnership. The ultimate controlling party is the same as the controlling party.

The Margate Coffee Shed LLP

Notes to the Financial Statements (continued)

10 Transition to FRS 102

This is the first year that the limited liability partnership has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 28/02/2019 and the date of transition to FRS 102 was therefore 06/02/2018. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

Reconciliation of equity

	6 February 2018	28 February 2019
	£	£
Equity reported under FRS 102	<u>-</u>	<u>-</u>
Reconciliation of profit or loss for 2019		
		Amount
		£
Profit for the financial year under FRS 102		<u>-</u>

The Margate Coffee Shed LLP

Detailed Profit and Loss Account for the Year Ended 29 February 2020

	Year ended 29 February 2020 £	6 February 2018 to 28 February 2019 £
Turnover (analysed below)	253,419	133,538
Cost of sales (analysed below)	<u>(94,702)</u>	<u>(47,523)</u>
Gross profit	<u>158,717</u>	<u>86,015</u>
Gross profit (%)	62.63%	64.41%
Administrative expenses		
Employment costs (analysed below)	58,741	22,655
Establishment costs (analysed below)	38,582	21,596
General administrative expenses (analysed below)	10,803	9,189
Finance charges (analysed below)	2,458	1,525
Depreciation costs (analysed below)	<u>3,333</u>	<u>3,040</u>
	(113,917)	(58,005)
Other operating income (analysed below)	<u>7,353</u>	<u>6,577</u>
Profit for the year before members' remuneration charged as an expense	<u><u>52,153</u></u>	<u><u>34,587</u></u>

The Margate Coffee Shed LLP

Detailed Profit and Loss Account for the Year Ended 29 February 2020 (continued)

	29 February 2020 £	28 February 2019 £
Turnover		
Sales, UK	253,419	133,538
Cost of sales		
Opening stock	7,058	-
Purchases	93,494	54,581
Closing stock	<u>(5,850)</u>	<u>(7,058)</u>
	<u>94,702</u>	<u>47,523</u>
Employment costs		
Wages and salaries	58,741	22,655
Establishment costs		
Rent	28,000	16,333
Water rates	1,386	-
Light, heat and power	4,345	2,457
Insurance	2,771	726
Use of home as office	<u>2,080</u>	<u>2,080</u>
	<u>38,582</u>	<u>21,596</u>
General administrative expenses		
Repairs and renewals	1,329	-
Telephone and fax	1,344	1,178
Printing, postage and stationery	855	530
Sundry expenses	1,454	360
Cleaning	2,636	1,376
Motor expenses	55	2,925
Travel and subsistence	1,231	1,076
Promotional expenses	639	544
Accountancy fees	<u>1,260</u>	<u>1,200</u>
	<u>10,803</u>	<u>9,189</u>
Finance charges		
Bank charges	106	-
Credit card charges	<u>2,352</u>	<u>1,525</u>
	<u>2,458</u>	<u>1,525</u>
Depreciation costs		
Depreciation of fixtures and fittings (owned)	<u>3,333</u>	<u>3,040</u>
Other operating income		
Rent receivable	7,353	6,577

This page does not form part of the statutory financial statements.

The Margate Coffee Shed LLP

Schedule of Members' Interests for the Year Ended 29 February 2020

Members' capital

As at 1 March 2019 £	As at 29 February 2020 £
<u> </u>	<u> </u>