

SCHEDULE 1

NON-IAS INDIVIDUAL ACCOUNTS

PART 3

NOTES TO THE ACCOUNTS

[^{F1}Preliminary

42.—(1) Any information required in the case of an LLP by the following provisions of this Part of this Schedule must be given by way of a note to the accounts.

(2) These notes must be presented in the order in which, where relevant, the items to which they relate are presented in the balance sheet and in the profit and loss account.]

Textual Amendments

F1 Sch. 1 para. 42 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **56(a)**

General

Reserves

43. Any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves must be stated.

Disclosure of accounting policies

44. The accounting policies adopted by the LLP in determining the amounts to be included in respect of items shown in the balance sheet and in determining the profit or loss of the LLP must be stated (including such policies with respect to the depreciation and diminution in value of assets).

45. It must be stated whether the accounts have been prepared in accordance with applicable accounting standards and particulars of any material departure from those standards and the reasons for it must be given (see regulation 4 for exemption for medium-sized LLPs).

Information supplementing the balance sheet

46. Paragraphs 47 to 61 require information which either supplements the information given with respect to any particular items shown in the balance sheet or is otherwise relevant to assessing the LLP's state of affairs in the light of the information so given.

Loans and other debts due to members

47. The following information must be given—

- (a) the aggregate amount of loans and other debts due to members as at the date of the beginning of the financial year,
- (b) the aggregate amounts contributed by members during the financial year,

Changes to legislation: There are currently no known outstanding effects for the The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008, PART 3. (See end of Document for details)

- (c) the aggregate amounts transferred to or from the profit and loss account during that year,
- (d) the aggregate amounts withdrawn by members or applied on behalf of members during that year,
- (e) the aggregate amount of loans and other debts due to members as at the balance sheet date, and
- (f) the aggregate amount of loans and other debts due to members that fall due after one year.

Debentures

48.—(1) If the LLP has issued any debentures during the financial year to which the accounts relate, the following information must be given—

- (a) the classes of debentures issued, and
- (b) as respects each class of debentures, the amount issued and the consideration received by the LLP for the issue.

(2) Where any of the LLP's debentures are held by a nominee of or trustee for the LLP, the nominal amount of the debentures and the amount at which they are stated in the accounting records kept by the LLP in accordance with section 386 of the 2006 Act (duty to keep accounting records) must be stated.

Fixed assets

49.—(1) In respect of each item which is or would but for paragraph 4(2)(b) be shown under the general item “fixed assets” in the LLP's balance sheet the following information must be given—

- (a) the appropriate amounts in respect of that item as at the date of the beginning of the financial year and as at the balance sheet date respectively,
- (b) the effect on any amount shown in the balance sheet in respect of that item of—
 - (i) any revision of the amount in respect of any assets included under that item made during that year on any basis mentioned in paragraph 32,
 - (ii) acquisitions during that year of any assets,
 - (iii) disposals during that year of any assets, and
 - (iv) any transfers of assets of the LLP to and from that item during that year.

(2) The reference in sub-paragraph (1)(a) to the appropriate amounts in respect of any item as at any date there mentioned is a reference to amounts representing the aggregate amounts determined, as at that date, in respect of assets falling to be included under that item on either of the following bases, that is to say—

- (a) on the basis of purchase price or production cost (determined in accordance with paragraphs 27 and 28), or
- (b) on any basis mentioned in paragraph 32,

(leaving out of account in either case any provisions for depreciation or diminution in value).

(3) In respect of each item within sub-paragraph (1) there must also be stated—

- (a) the cumulative amount of provisions for depreciation or diminution in value of assets included under that item as at each date mentioned in sub-paragraph (1)(a),
- (b) the amount of any such provisions made in respect of the financial year,
- (c) the amount of any adjustments made in respect of any such provisions during that year in consequence of the disposal of any assets, and

- (d) the amount of any other adjustments made in respect of any such provisions during that year.

50. Where any fixed assets of the LLP (other than listed investments) are included under any item shown in the LLP's balance sheet at an amount determined on any basis mentioned in paragraph 32, the following information must be given—

- (a) the years (so far as they are known to the members) in which the assets were severally valued and the several values, and
- (b) in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.

51.—(1) In relation to any amount which is or would but for paragraph 4(2)(b) be shown in respect of the item “land and buildings” in the LLP's balance sheet there must be stated—

- (a) how much of that amount is ascribable to land of freehold tenure and how much to land of leasehold tenure, and
- (b) how much of the amount ascribable to land of leasehold tenure is ascribable to land held on long lease and how much to land held on short lease.

(2) In this paragraph—

- (a) “long lease” means a lease in the case of which the portion of the term for which it was granted remaining unexpired at the end of the financial year is not less than 50 years,
- (b) “short lease” means a lease which is not a long lease, and
- (c) “lease” includes an agreement for a lease.

(3) In the application of this regulation to Scotland, “land of freehold tenure” means land in respect of which the LLP is the owner; “land of leasehold tenure” means land of which the company is the tenant under a lease.

Investments

52.—(1) In respect of the amount of each item which is or would but for paragraph 4(2)(b) be shown in the LLP's balance sheet under the general item “investments” (whether as fixed assets or as current assets) there must be stated how much of that amount is ascribable to listed investments.

(2) Where the amount of any listed investments is stated for any item in accordance with subparagraph (1), the following amounts must also be stated—

- (a) the aggregate market value of those investments where it differs from the amount so stated, and
- (b) both the market value and the stock exchange value of any investments of which the former value is, for the purposes of the accounts, taken as being higher than the latter.

[^{F2}Information about fair value of assets and liabilities

53.—(1) This paragraph applies where financial instruments or other assets have been valued in accordance with, as appropriate, paragraph 36, 38, or 39.

(2) There must be stated—

- (a) the significant assumptions underlying the valuation models and techniques used to determine the fair value of the instruments or other assets,
- (b) for each category of financial instrument or other asset, the fair value of the assets in that category and the changes in value—

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- (i) included directly in the profit and loss account, or
 - (ii) credited to or (as the case may be) debited from the fair value reserve,
- in respect of those assets, and
- (c) for each class of derivatives, the extent and nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.
- (3) Where any amount is transferred to or from the fair value reserve during the financial year, there must be stated in tabular form—
- (a) the amount of the reserve as at the date of the beginning of the financial year and as at the balance sheet date respectively,
 - (b) the amount transferred to or from the reserve during the year, and
 - (c) the source and application respectively of the amounts so transferred.]

Textual Amendments

F2 Sch. 1 para. 53 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **56(b)**

54. Where the LLP has derivatives that it has not included at fair value, there must be stated for each class of such derivatives—

- (a) the fair value of the derivatives in that class, if such a value can be determined in accordance with paragraph 37, and
- (b) the extent and nature of the derivatives.

55.—(1) This paragraph applies if—

- (a) the LLP has financial fixed assets that could be included at fair value by virtue of paragraph 36,
- (b) the amount at which those items are included under any item in the LLP's accounts is in excess of their fair value, and
- (c) the LLP has not made provision for diminution in value of those assets in accordance with paragraph 19(1) of this Schedule.

(2) There must be stated—

- (a) the amount at which either the individual assets or appropriate groupings of those individual assets are included in the LLP's accounts,
- (b) the fair value of those assets or groupings, and
- (c) the reasons for not making a provision for diminution in value of those assets, including the nature of the evidence that provides the basis for the belief that the amount at which they are stated in the accounts will be recovered.

Information where investment property and living animals and plants included at fair value

56.—(1) This paragraph applies where the amounts to be included in an LLP's accounts in respect of [^{F3}stocks,] investment property or living animals and plants have been determined in accordance with paragraph 39.

(2) The balance sheet items affected and the basis of valuation adopted in determining the amounts of the assets in question in the case of each such item must be disclosed in a note to the accounts.

(3) In the case of investment property, for each balance sheet item affected there must be shown, either separately in the balance sheet or in a note to the accounts—

- (a) the comparable amounts determined according to the historical cost accounting rules, or
- (b) the differences between those amounts and the corresponding amounts actually shown in the balance sheet in respect of that item.

(4) In sub-paragraph (3), references in relation to any item to the comparable amounts determined in accordance with that sub-paragraph are to—

- (a) the aggregate amount which would be required to be shown in respect of that item if the amounts to be included in respect of all the assets covered by that item were determined according to the historical cost accounting rules, and
- (b) the aggregate amount of the cumulative provisions for depreciation or diminution in value which would be permitted or required in determining those amounts according to those rules.

Textual Amendments

- F3** Word in [Sch. 1 para. 56\(1\)](#) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **56(c)**

Reserves and provisions

57.—(1) This paragraph applies where any amount is transferred—

- (a) to or from any reserves, or
- (b) to any provision for liabilities, or
- (c) from any provision for liabilities otherwise than for the purpose for which the provision was established,

and the reserves or provisions are or would but for paragraph 4(2)(b) be shown as separate items in the LLP's balance sheet.

(2) The following information must be given in respect of the aggregate of reserves or provisions included in the same item [^{F4}in tabular form]—

- (a) the amount of the reserves or provisions as at the date of the beginning of the financial year and as at the balance sheet date respectively,
- (b) any amounts transferred to or from the reserves or provisions during that year, and
- (c) the source and application respectively of any amounts so transferred.

(3) Particulars must be given of each provision included in the item “other provisions” in the LLP's balance sheet in any case where the amount of that provision is material.

Textual Amendments

- F4** Words in [Sch. 1 para. 57\(2\)](#) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **56(d)**

Provision for taxation

58. The amount of any provision for deferred taxation must be stated separately from the amount of any provision for other taxation.

Details of indebtedness

59.—(1) For the aggregate of all items shown under “creditors” in the LLP's balance sheet there must be stated the aggregate of the following amounts—

- (a) the amount of any debts included under “creditors” which are payable or repayable otherwise than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following the end of the financial year, and
- (b) in the case of any debts so included which are payable or repayable by instalments, the amount of any instalments which fall due for payment after the end of that period.

(2) Subject to sub-paragraph (3), in relation to each debt falling to be taken into account under sub-paragraph (1), the terms of payment or repayment and the rate of any interest payable on the debt must be stated.

(3) If the number of debts is such that, in the opinion of the members, compliance with sub-paragraph (2) would result in a statement of excessive length, it is sufficient to give a general indication of the terms of payment or repayment and the rates of any interest payable on the debts.

(4) In respect of each item shown under “creditors” in the LLP's balance sheet there must be stated—

- (a) the aggregate amount of any debts included under that item in respect of which any security has been given by the LLP, and
- (b) an indication of the nature [^{F5}and form] of the securities so given.

(5) References above in this paragraph to an item shown under “creditors” in the LLP's balance sheet include references, where amounts falling due to creditors within one year and after more than one year are distinguished in the balance sheet—

- (a) in a case within sub-paragraph (1), to an item shown under the latter of those categories, and
- (b) in a case within sub-paragraph (4), to an item shown under either of those categories.

References to items shown under “creditors” include references to items which would but for paragraph 4(2)(b) be shown under that heading.

Textual Amendments

- F5** Words in [Sch. 1 para. 59\(4\)\(b\)](#) inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **56(e)**

[^{F6}Guarantees and other financial commitments

60.—(1) Particulars must be given of any charge on the assets of the LLP to secure the liabilities of any other person including the amount secured.

(2) Particulars and the total amount of any financial commitments, guarantees and contingencies that are not included in the balance sheet must be disclosed.

(3) An indication of the nature and form of any valuable security given by the LLP in respect of commitments, guarantees and contingencies within sub-paragraph (2) must be given.

(4) The total amount of any commitments within sub-paragraph (2) concerning pensions must be separately disclosed.

(5) Particulars must be given of pension commitments which are included in the balance sheet.

(6) Where any commitment within sub-paragraph (4) or (5) relates wholly or partly to pensions payable to past members of the LLP separate particulars must be given of that commitment.

(7) The total amount of any commitments, guarantees and contingencies within sub-paragraph (2) which are undertaken on behalf of or for the benefit of—

(a) any parent undertaking or fellow subsidiary undertaking of the LLP,

(b) any subsidiary undertaking of the LLP, or

(c) any undertaking in which the LLP has a participating interest,

must be separately stated and those within each of paragraphs (a), (b) and (c) must also be stated separately from those within any other of those paragraphs.]

Textual Amendments

F6 Sch. 1 para. 60 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **56(f)**

Miscellaneous matters

61. Particulars must be given of any case where the purchase price or production cost of any asset is for the first time determined under paragraph 29.

Information supplementing the profit and loss account

62. Paragraphs 63 to 67 require information which either supplements the information given with respect to any particular items shown in the profit and loss account or otherwise provides particulars of income or expenditure of the LLP or of circumstances affecting the items shown in the profit and loss account (see regulation 3 for exemption for LLP falling within section 408 of the 2006 Act (individual profit and loss account where group accounts prepared)).

Separate statement of certain items of income and expenditure

63.—(1) Subject to sub-paragraph (2), there must be stated the amount of the interest on or any similar charges in respect of bank loans and overdrafts, and loans of any other kind made to the LLP.

(2) Sub-paragraph (1) does not apply to interest or charges on loans to the LLP from group undertakings, but, with that exception, it applies to interest or charges on all loans, whether made on the security of debentures or not.

Particulars of tax

64.—(1) Particulars must be given of any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years.

(2) The following amounts must be stated—

(a) the amount of the charge for United Kingdom corporation tax,

(b) if that amount would have been greater but for relief from double taxation, the amount which it would have been but for such relief,

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- (c) the amount of the charge for United Kingdom income tax, and
- (d) the amount of the charge for taxation imposed outside the United Kingdom of profits, income and (so far as charged to revenue) capital gains.

[^{F7}These amounts must be stated separately in respect of each of the amounts which is or would but for paragraph 4(2)(b) be shown under the item “tax on profit or loss” in the profit and loss account.]

Textual Amendments

- F7** Words in [Sch. 1 para. 64\(2\)](#) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **56(g)**

Particulars of turnover

65.—(1) If in the course of the financial year the LLP has carried on business of two or more classes that, in the opinion of the members, differ substantially from each other, the amount of the turnover attributable to each class must be stated and the class described (see regulation 4(3)(b) for exemption for medium-sized LLP in accounts delivered to registrar).

(2) If in the course of the financial year the LLP has supplied markets that, in the opinion of the members, differ substantially from each other, the amount of the turnover attributable to each such market must also be stated. In this paragraph “market” means a market delimited by geographical bounds.

(3) In analysing for the purposes of this paragraph the source (in terms of business or in terms of market) of turnover, the members of the LLP must have regard to the manner in which the LLP’s activities are organised.

(4) For the purposes of this paragraph—

- (a) classes of business which, in the opinion of the members, do not differ substantially from each other must be treated as one class, and
- (b) markets which, in the opinion of the members, do not differ substantially from each other must be treated as one market,

and any amounts properly attributable to one class of business or (as the case may be) to one market which are not material may be included in the amount stated in respect of another.

(5) Where in the opinion of the members the disclosure of any information required by this paragraph would be seriously prejudicial to the interests of the LLP, that information need not be disclosed, but the fact that any such information has not been disclosed must be stated.

Particulars of members

66.—(1) Particulars must be given of the average number of members of the LLP in the financial year, which number is to be determined by dividing the relevant annual number by the number of months in the financial year.

(2) The relevant annual number is to be determined by ascertaining for each month in the financial year the number of members of the LLP for all or part of that month, and adding together all the monthly numbers.

(3) Where the amount of the profit of the LLP for the financial year before members’ remuneration and profit shares exceeds £200,000, there must be disclosed the amount of profit (including remuneration) which is attributable to the member with the largest entitlement to profit (including remuneration).

(4) For the purpose of determining the amount to be disclosed under sub-paragraph (3), “remuneration” includes any emoluments specified in paragraph 1(1)(a), (c) or (d) of Schedule 5 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008^{M1} receivable from—

- (a) the LLP,
- (b) the LLP's subsidiary undertakings, and
- (c) any other person.

Marginal Citations

M1 [S.I. 2008/410](#).

Miscellaneous matters

67.—(1) Where any amount relating to any preceding financial year is included in any item in the profit and loss account, the effect must be stated.

[^{F8}(2) The amount, nature and effect of any individual items of income or expenditure which are of exceptional size or incidence must be stated.]

Textual Amendments

F8 [Sch. 1 para. 67\(2\)](#) substituted for [Sch. 1 para. 67\(2\)\(3\)](#) (with effect in accordance with [reg. 2\(2\)-\(5\)](#) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), [regs. 2\(1\)](#), **56(h)**

Sums denominated in foreign currencies

68. Where any sums originally denominated in foreign currencies have been brought into account under any items shown in the balance sheet format or profit and loss account formats, the basis on which those sums have been translated into sterling (or the currency in which the accounts are drawn up) must be stated.

Dormant LLPs acting as agents

69. Where the members of an LLP take advantage of the exemption conferred by section 480 of the 2006 Act (dormant LLPs: exemption from audit), and the LLP has during the financial year in question acted as an agent for any person, the fact that it has so acted must be stated.

Related party transactions

70.—(1) Particulars may be given of transactions which the LLP has entered into with related parties, and must be given if such transactions are material and have not been concluded under normal market conditions (see [^{F9}regulation 4(2B) for a modification] for medium-sized LLPs).

- (2) The particulars of transactions required to be disclosed by sub-paragraph (1) must include—
- (a) the amount of such transactions,
 - (b) the nature of the related party relationship, and
 - (c) other information about the transactions necessary for an understanding of the financial position of the LLP.

Changes to legislation: There are currently no known outstanding effects for the The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008, PART 3. (See end of Document for details)

(3) Information about individual transactions may be aggregated according to their nature, except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the LLP.

(4) Particulars need not be given of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly-owned by such a member.

(5) In this paragraph, “related party” has the same meaning as in [F10UK-adopted international accounting standards].

Textual Amendments

- F9** Words in Sch. 1 para. 70(1) substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **56(i)**
- F10** Words in Sch. 1 para. 70(5) substituted (31.12.2020) by The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/685), reg. 1(2), **Sch. 1 para. 60(b)** (with reg. 1(3)(4)) (as amended by S.I. 2020/523, regs. 1(2), 22); 2020 c. 1, Sch. 5 para. 1(1)

[F11Post balance sheet events

70A. The nature and financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet must be stated.

Textual Amendments

- F11** Sch. 1 paras. 70A, 70B inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **56(j)**

Appropriations

70B. Particulars must be given of the proposed appropriation of profit or treatment of loss or, where applicable, particulars of the actual appropriation of the profits or treatment of the losses.]

Textual Amendments

- F11** Sch. 1 paras. 70A, 70B inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **56(j)**

Changes to legislation:

There are currently no known outstanding effects for the The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008, PART 3.