
STATUTORY INSTRUMENTS

2008 No. 1911

**The Limited Liability Partnerships (Accounts and Audit)
(Application of Companies Act 2006) Regulations 2008**

PART 9

ACCOUNTS: SUPPLEMENTARY PROVISIONS

Accounting standards

25. Section 464 applies to LLPs, modified so that it reads as follows—

“Accounting standards

464.—(1) In this Part “accounting standards” means statements of standard accounting practice issued by the body known as the Accounting Standards Board, as prescribed by the Accounting Standards (Prescribed Body) Regulations 2008 (S.I. 2008/651).

(2) References in this Part to accounting standards applicable to an LLP's annual accounts are to such standards as are, in accordance with their terms, relevant to the LLP's circumstances and to the accounts.”

Medium-sized LLPs

26. Sections 465 to 467 ^{M1} apply to LLPs, modified so that they read as follows—

“LLPs qualifying as medium-sized: general

465.—(1) An LLP qualifies as medium-sized in relation to its first financial year if the qualifying conditions are met in that year.

(2) An LLP qualifies as medium-sized in relation to a subsequent financial year—

- (a) if the qualifying conditions are met in that year and the preceding financial year;
- (b) if the qualifying conditions are met in that year and the LLP qualified as medium-sized in relation to the preceding financial year;
- (c) if the qualifying conditions were met in the preceding financial year and the LLP qualified as medium-sized in relation to that year.

(3) The qualifying conditions are met by an LLP in a year in which it satisfies two or more of the following requirements—

1.	Turnover	Not more than £25.9 million
2.	Balance sheet total	Not more than £12.9 million
3.	Number of employees	Not more than 250

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(4) For a period that is an LLP's financial year but not in fact a year the maximum figures for turnover must be proportionately adjusted.

(5) The balance sheet total means the aggregate of the amounts shown as assets in the LLP's balance sheet.

(6) The number of employees means the average number of persons employed by the LLP in the year, determined as follows—

- (a) find for each month in the financial year the number of persons employed under contracts of service by the LLP in that month (whether throughout the month or not),
- (b) add together the monthly totals, and
- (c) divide by the number of months in the financial year.

(7) This section is subject to section 466 (LLPs qualifying as medium-sized: parent LLPs).

LLPs qualifying as medium-sized: parent LLPs

466.—(1) A parent LLP qualifies as a medium-sized LLP in relation to a financial year only if the group headed by it qualifies as a medium-sized group.

(2) A group qualifies as medium-sized in relation to the parent LLP's first financial year if the qualifying conditions are met in that year.

(3) A group qualifies as medium-sized in relation to a subsequent financial year of the parent LLP—

- (a) if the qualifying conditions are met in that year and the preceding financial year;
- (b) if the qualifying conditions are met in that year and the group qualified as medium-sized in relation to the preceding financial year;
- (c) if the qualifying conditions were met in the preceding financial year and the group qualified as medium-sized in relation to that year.

(4) The qualifying conditions are met by a group in a year in which it satisfies two or more of the following requirements—

1.	Aggregate turnover	Not more than £25.9 million net (or £31.1 million gross)
2.	Aggregate balance sheet total	Not more than £12.9 million net (or £15.5 million gross)
3.	Aggregate number of employees	Not more than 250

(5) The aggregate figures are ascertained by aggregating the relevant figures determined in accordance with section 465 for each member of the group.

(6) In relation to the aggregate figures for turnover and balance sheet total—

“net” means after any set-offs and other adjustments made to eliminate group transactions—

- (a) in the case of non-IAS accounts, in accordance with Schedule 3 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1913),
- (b) in the case of IAS accounts, in accordance with international accounting standards; and

“gross” means without those set-offs and other adjustments.

An LLP may satisfy any relevant requirement on the basis of either the net or the gross figure.

(7) The figures for each subsidiary undertaking shall be those included in its individual accounts for the relevant financial year, that is—

- (a) if its financial year ends with that of the parent LLP, that financial year, and
- (b) if not, its financial year ending last before the end of the financial year of the parent LLP.

If those figures cannot be obtained without disproportionate expense or undue delay, the latest available figures shall be taken.

LLPs excluded from being treated as medium-sized

467.—(1) An LLP is not entitled to take advantage of any of the provisions of this Part relating to LLPs qualifying as medium-sized if it was at any time within the financial year in question—

- (a) an LLP whose securities are admitted to trading on a regulated market in an EEA State,
 - (b) an LLP that—
 - (i) has permission under Part 4 of the Financial Services and Markets Act 2000 (c.8) to carry on a regulated activity, or
 - (ii) carries on insurance market activity, or
 - (c) a member of an ineligible group.
- (2) A group is ineligible if any of its members is—
- (a) a public company,
 - (b) a body corporate (other than a company) whose shares are admitted to trading on a regulated market,
 - (c) a person (other than a small company or small LLP) who has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity,
 - (d) a small company or small LLP that is an authorised insurance company, a banking company or banking LLP, an e-money issuer, a MiFID investment firm or a UCITS management company, or
 - (e) a person who carries on insurance market activity.

(3) An LLP is a small LLP for the purposes of subsection (2) if it qualified as small in relation to its last financial year ending on or before the end of the financial year in question.”

Marginal Citations

MI Sections 465(3) and 466(4) were amended by regulation 4 of [S.I. 2008/393](#), and section 467 was amended by regulation 3(3) of [S.I. 2007/2932](#) and by regulation 7 of [S.I. 2008/393](#) (in the latter case in manner not relevant to these Regulations).

General power to make further provision about accounts

27. Section 468 applies to LLPs, modified so that it reads as follows—

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“General power to make further provision about accounts

468.—(1) The Secretary of State may make provision by regulations about—

- (a) the accounts that LLPs are required to prepare;
- (b) the categories of LLPs required to prepare accounts of any description;
- (c) the form and content of the accounts that LLPs are required to prepare;
- (d) the obligations of LLPs and others as regards—
 - (i) the approval of accounts,
 - (ii) the sending of accounts to members and others,
 - (iii) the delivery of copies of accounts to the registrar, and
 - (iv) the publication of accounts.

(2) The regulations may amend this Part by adding, altering or repealing provisions.

(3) But they must not amend (other than consequentially)—

- (a) section 393 (accounts to give true and fair view), or
- (b) the provisions of Chapter 11 (revision of defective accounts and reports).

(4) The regulations may create criminal offences in cases corresponding to those in which an offence is created by an existing provision of this Part. The maximum penalty for any such offence may not be greater than is provided in relation to an offence under the existing provision.

(5) The regulations may provide for civil penalties in circumstances corresponding to those within section 453(1) (civil penalty for failure to file accounts and reports). The provisions of section 453(3) and (4) apply in relation to any such penalty.”

Other supplementary provisions

28. Section 469 applies to LLPs, modified so that it reads as follows—

“Preparation and filing of accounts in euros

469.—(1) The amounts set out in the annual accounts of an LLP may also be shown in the same accounts translated into euros.

(2) When complying with section 441 (duty to file accounts and auditor's report), the designated members of an LLP may deliver to the registrar an additional copy of the LLP's annual accounts in which the amounts have been translated into euros.

(3) In both cases—

- (a) the amounts must have been translated at the exchange rate prevailing on the date to which the balance sheet is made up, and
- (b) that rate must be disclosed in the notes to the accounts.

(4) For the purposes of sections 434 and 435 (requirements in connection with published accounts) any additional copy of the LLP's annual accounts delivered to the registrar under subsection (2) above shall be treated as statutory accounts of the LLP. In the case of such a copy, references in those sections to the auditor's report on the LLP's annual accounts shall be read as references to the auditor's report on the annual accounts of which it is a copy.”

Meaning of “annual accounts”

29. Section 471 applies to LLPs, modified so that it reads as follows—

“Meaning of “annual accounts” and related expressions

471.—(1) In this Part an LLP's “annual accounts”, in relation to a financial year, means—

- (a) the LLP's individual accounts for that year (see section 394), and
- (b) any group accounts prepared by the LLP for that year (see sections 398 and 399).

This is subject to section 408 (option to omit individual profit and loss account from annual accounts where information given in group accounts).

(2) In this Part an LLP's “annual accounts and auditor's report” for a financial year are—

- (a) its annual accounts,
- (b) the auditor's report on those accounts (unless the LLP is exempt from audit).”

Notes to the accounts

30. Section 472 applies to LLPs, modified so that it reads as follows—

“Notes to the accounts

472.—(1) Information required by this Part to be given in notes to an LLP's annual accounts may be contained in the accounts or in a separate document annexed to the accounts.

(2) References in this Part to an LLP's annual accounts, or to a balance sheet or profit and loss account, include notes to the accounts giving information which is required by any provision of this Act or international accounting standards, and required or allowed by any such provision to be given in a note to LLP accounts.”

Parliamentary procedure for regulations under section 468

31. Section 473 applies to LLPs, modified so that it reads as follows—

“Parliamentary procedure for regulations under section 468

473.—(1) This section applies to regulations under section 468 (general power to make further provision about accounts).

(2) Any such regulations may make consequential amendments or repeals in other provisions of this Act, or in other enactments.

(3) Regulations that—

- (a) restrict the classes of LLP which have the benefit of any exemption, exception or special provision,
- (b) require additional matter to be included in a document of any class, or
- (c) otherwise render the requirements of this Part more onerous,

are subject to affirmative resolution procedure.

(4) Otherwise, the regulations are subject to negative resolution procedure.”

Minor definitions

32. Section 474 ^{M2} applies to LLPs, modified so that it reads as follows—

“Minor definitions**474.—(1) In this Part—**

“authorised insurance company” means a person (whether incorporated or not) who has permission under Part 4 of the Financial Services and Markets Act 2000 (c.8) to effect or carry out contracts of insurance, but does not include a friendly society within the meaning of the Friendly Societies Act 1992 (c.40);

“banking company” means a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits, other than—

- (a) a person who is not a company, and
- (b) a person who has such permission only for the purpose of carrying on another regulated activity in accordance with permission under that Part;

“banking LLP” means an LLP which has permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits (but does not include such an LLP which has permission to accept deposits only for the purpose of carrying on another regulated activity in accordance with that permission);

“e-money issuer” means a person [^{F1}who is registered as an authorised electronic money institution or a small electronic money institution within the meaning of the Electronic Money Regulations 2011 or] who has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on the activity of issuing electronic money within the meaning of article 9B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544);

“Financial Reporting Review Panel” means the body known as the Financial Reporting Review Panel established under the articles of association of the Financial Reporting Council Limited (registered number 02486368);

“group” means a parent undertaking and its subsidiary undertakings;

“IAS Regulation” means EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards;

“included in the consolidation”, in relation to group accounts, or “included in consolidated group accounts”, means that the undertaking is included in the accounts by the method of full (and not proportional) consolidation, and references to an undertaking excluded from consolidation shall be construed accordingly;

“insurance company” means—

- (a) an authorised insurance company, or
- (b) any other person (whether incorporated or not) who—
 - (i) carries on insurance market activity (within the meaning of section 316(3) of the Financial Services and Markets Act 2000), or
 - (ii) may effect or carry out contracts of insurance under which the benefits provided by that person are exclusively or primarily benefits in kind in the event of accident to or breakdown of a vehicle,

but does not include a friendly society within the meaning of the Friendly Societies Act 1992;

“international accounting standards” means the international accounting standards, within the meaning of the IAS Regulation, adopted from time to time by the European Commission in accordance with that Regulation;

“LLP” means a limited liability partnership [^{F2}registered under the Limited Liability Partnerships Act 2000];

“MiFID investment firm” means an investment firm within the meaning of Article 4.1.1 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments other than—

- (a) an LLP to which that Directive does not apply by virtue of Article 2 of that Directive,
- (b) an LLP which is an exempt investment firm within the meaning of regulation 4A(3) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), and
- (c) any other LLP which fulfils all the requirements set out in regulation 4C(3) of those Regulations;

“profit and loss account”, in relation to an LLP that prepares IAS accounts, includes an income statement or other equivalent financial statement required to be prepared by international accounting standards;

“regulated activity” has the meaning given in section 22 of the Financial Services and Markets Act 2000, except that it does not include activities of the kind specified in any of the following provisions of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)—

- (a) article 25A (arranging regulated mortgage contracts),
- (b) article 25B (arranging regulated home reversion plans),
- (c) article 25C (arranging regulated home purchase plans),
- (d) article 39A (assisting administration and performance of a contract of insurance),
- (e) article 53A (advising on regulated mortgage contracts),
- (f) article 53B (advising on regulated home reversion plans),
- (g) article 53C (advising on regulated home purchase plans),
- (h) article 21 (dealing as agent), article 25 (arranging deals in investments) or article 53 (advising on investments) where the activity concerns relevant investments that are not contractually based investments (within the meaning of article 3 of that Order), or
- (i) article 64 (agreeing to carry on a regulated activity of the kind mentioned in paragraphs (a) to (h));

“turnover”, in relation to an LLP, means the amounts derived from the provision of goods and services falling within the LLP's ordinary activities, after deduction of—

- (a) trade discounts,
- (b) value added tax, and
- (c) any other taxes based on the amounts so derived;

“UCITS management company” has the meaning given by the Glossary forming part of the Handbook made by the Financial Services Authority under the Financial Services and Markets Act 2000 (c.8);

“wholly-owned subsidiary” has the meaning given in section 1159(2) of this Act.

(2) In subsection (1)—

- (a) the definitions of “banking company” and “banking LLP”, and

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- (b) references in the definition of “insurance company” to contracts of insurance and to the effecting or carrying out of such contracts, must be read with—
- (i) section 22 of the Financial Services and Markets Act 2000,
 - (ii) the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), and
 - (iii) Schedule 2 to that Act.”

Textual Amendments

- F1** Words in reg. 32 inserted (9.2.2011 for specified purposes, 30.4.2011 in so far as not already in force) by [The Electronic Money Regulations 2011 \(S.I. 2011/99\)](#), reg. 1(2), **Sch. 4 para. 20** (with reg. 3)
- F2** Words in reg. 32 substituted (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), reg. 2(3), **Sch. 3 para. 15(3)**

Marginal Citations

- M2** Section 474 was amended by regulation 3(4) of [S.I. 2007/2932](#).

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