*Draft Regulations laid before Parliament under section 17(4) and (5)(b) of the Limited Liability Partnerships Act 2000, for approval by resolution of each House of Parliament.*

DRAFT STATUTORY INSTRUMENTS

# 2008 No. 0000

# LIMITED LIABILITY PARTNERSHIPS

## The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008

| | |
|---|---|
| *Made - - - -* | **** 2008* |
| *Coming into force - -* | *1st October 2008* |

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 15 and 17 of the Limited Liability Partnerships Act 2000(**1**).

In accordance with section 17(4) and (5)(b) of the Limited Liability Partnerships Act 2000 a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

## PART 1

## INTRODUCTION

### Citation and interpretation

**1.**—(1) These Regulations may be cited as the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008.

(2) In these Regulations—

"the 2006 Act" means the Companies Act 2006(**2**);

"the Large and Medium-sized Companies Accounts Regulations" means the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008(**3**);

"LLP" means a limited liability partnership formed under the Limited Liability Partnerships Act 2000 or the Limited Liability Partnerships Act (N.I.) 2002(**4**).

(**1**) 2000 c.12.
(**2**) 2006 c.46.
(**3**) S.I. 2008/410.
(**4**) 2002 (N.I.) (c.12).

(3) Any reference in these Regulations to a numbered Part or section of the 2006 Act is a reference to that Part or section as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008(**5**).

**Commencement and application**

**2.**—(1) These Regulations come into force on 1st October 2008.

(2) They apply in relation to financial years beginning on or after 1st October 2008.

(3) They apply to LLPs, with modifications, provisions of the Large and Medium-sized Companies Accounts Regulations.

(4) They do not apply to LLPs which are subject to the small LLPs regime under Part 15 of the 2006 Act.

# PART 2

## FORM AND CONTENT OF ACCOUNTS

**Non-IAS individual accounts**

**3.**—(1) Regulation 3 of the Large and Medium-sized Companies Accounts Regulations applies to LLPs, modified so that it reads as follows—

"**Non-IAS individual accounts**

**3.**—(1) Subject to regulation 4, non-IAS individual accounts under section 396 of the 2006 Act (non-IAS individual accounts) must comply with the provisions of Schedule 1 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008(**6**) as to the form and content of the balance sheet and profit and loss account, and additional information to be provided by way of notes to the accounts.

(2) The profit and loss account of an LLP that falls within section 408 of the 2006 Act (individual profit and loss account where group accounts prepared)(**7**) need not contain the information specified in paragraphs 62 to 67 of Schedule 1 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (information supplementing the profit and loss account)."

(2) The provisions of Schedule 1 to the Large and Medium-sized Companies Accounts Regulations apply to LLPs, modified so that they are the provisions set out in Schedule 1 to these Regulations.

**Medium-sized LLPs: exemptions for non-IAS individual accounts**

**4.** Regulation 4 of the Large and Medium-sized Companies Accounts Regulations applies to LLPs, modified so that it reads as follows—

"**Medium-sized LLPs: exemptions for non-IAS individual accounts**

**4.**—(1) This regulation applies to an LLP—

(**5**) S.I. 2008/[ ].
(**6**) S.I. 2008/[ ].
(**7**) Section 408 is amended by regulation 10 of S.I. 2008/393.

(a) which qualifies as medium-sized in relation to a financial year under section 465 of the 2006 Act(**8**), and

(b) the members of which are preparing non-IAS individual accounts under section 396 of that Act for that year.

(2) The individual accounts for the year need not comply with the following provisions of Schedule 1 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008—

(a) paragraph 45 (disclosure with respect to compliance with accounting standards), and

(b) paragraph 70 (related party transactions).

(3) The members of the LLP may deliver to the registrar of companies a copy of the accounts for the year—

(a) which includes a profit and loss account in which the following items listed in the profit and loss account formats set out in Schedule 1 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 are combined as one item—

items 2, 3 and 6 in format 1;

items 2 to 5 in format 2;

(b) which does not contain the information required by paragraph 65 of Schedule 1 to those Regulations (particulars of turnover)."

**Information about related undertakings (non-IAS or IAS individual or group accounts)**

**5.**—(1) Regulation 7 of the Large and Medium-sized Companies Accounts Regulations applies to LLPs, modified so that it reads as follows—

"**Information about related undertakings (non-IAS or IAS individual or group accounts**

**7.**—(1) Non-IAS or IAS individual or group accounts must comply with the provisions of Schedule 2 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 as to information about related undertakings to be given in notes to the LLP's accounts.

(2) In Schedule 2 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008—

Part 1 contains provisions applying to all LLPs

Part 2 contains provisions applying only to LLPs not required to prepare group accounts

Part 3 contains provisions applying only to LLPs required to prepare group accounts.

(3) Information otherwise required to be given by Schedule 2 need not be disclosed with respect to an undertaking that—

(a) is established under the law of a country outside the United Kingdom, or

(b) carries on business outside the United Kingdom,

if the conditions specified in section 409(4) of the 2006 Act are met (see section 409(5) of the 2006 Act for disclosure required where advantage taken of this exemption)."

(**8**) Section 465 is amended by regulation 4(1) of S.I. 2008/393.

(2) The provisions of Schedule 4 to the Large and Medium-sized Companies Accounts Regulations apply to LLPs, modified so that they are the provisions set out in Schedule 2 to these Regulations.

**Non-IAS group accounts**

**6.**—(1) Regulation 9 of the Large and Medium-sized Companies Accounts Regulations applies to LLPs, modified so that it reads as follows—

"**Non-IAS group accounts**

**9.** Where the members of a parent LLP prepare non-IAS group accounts under section 403 of the 2006 Act (group accounts: applicable accounting framework), those accounts must comply with the provisions of Schedule 3 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 as to the form and content of the consolidated balance sheet and consolidated profit and loss account, and additional information to be provided by way of notes to the accounts."

(2) The provisions of Part 1 of Schedule 6 to the Large and Medium-sized Companies Accounts Regulations apply to LLPs, modified so that they are the provisions set out in Schedule 3 to these Regulations.

# PART 3

## INTERPRETATION

**General interpretation**

**7.**—(1) Regulation 13 of the Large and Medium-sized Companies Accounts Regulations applies to LLPs, modified so that it reads as follows—

"**General interpretation**

**13.** Schedule 4 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 contains general definitions for the purposes of these Regulations as applied to LLPs."

(2) The provisions of Schedule 10 to the Large and Medium-sized Companies Accounts Regulations apply to LLPs, modified so that they are the provisions set out in Schedule 4 to these Regulations.

*Name*
Parliamentary Under Secretary of State for Trade
and Consumer Affairs,
Department for Business, Enterprise and
Regulatory Reform

Date

SCHEDULE 1 Regulation 3

NON-IAS INDIVIDUAL ACCOUNTS

# PART 1

## GENERAL RULES AND FORMATS

SECTION A

*GENERAL RULES*

**1.**—(1) Subject to the following provisions of this Schedule—

(a) every balance sheet of an LLP must show the items listed in either of the balance sheet formats in Section B of this Part, and

(b) every profit and loss account must show the items listed in either of the profit and loss account formats in Section B.

(2) References in this Schedule to the items listed in any of the formats in Section B are to those items read together with any of the notes following the formats which apply to those items.

(3) The items must be shown in the order and under the headings and sub-headings given in the particular format used, but—

(a) the notes to the formats may permit alternative positions for any particular items, and

(b) the heading or sub-heading for any item does not have to be distinguished by any letter or number assigned to that item in the format used.

**2.**—(1) Where in accordance with paragraph 1 an LLP's balance sheet or profit and loss account for any financial year has been prepared by reference to one of the formats in Section B, the members of the LLP must use the same format in preparing non-IAS individual accounts for subsequent financial years, unless in their opinion there are special reasons for a change.

(2) Particulars of any such change must be given in a note to the accounts in which the new format is first used, and the reasons for the change must be explained.

**3.**—(1) Any item required to be shown in an LLP's balance sheet or profit and loss account may be shown in greater detail than required by the particular format used.

(2) The balance sheet or profit and loss account may include an item representing or covering the amount of any asset or liability, income or expenditure not otherwise covered by any of the items listed in the format used, save that none of the following may be treated as assets in any balance sheet—

(a) preliminary expenses,

(b) expenses of, and commission on, any issue of debentures, and

(c) costs of research.

**4.**—(1) Where the special nature of the LLP's business requires it, the members of the LLP must adapt the arrangement, headings and sub-headings otherwise required in respect of items given an Arabic number in the balance sheet or profit and loss account format used.

(2) The members may combine items to which Arabic numbers are given in any of the formats in Section B if—