
STATUTORY INSTRUMENTS

2008 No. 1911

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

PART 10

AUDIT REQUIREMENT

Requirement for audited accounts

33. Section 475 applies to LLPs, modified so that it reads as follows—

“Requirement for audited accounts

475.—(1) An LLP’s annual accounts for a financial year must be audited in accordance with this Part unless the LLP is exempt from audit under—

- (a) section 477 (small LLPs), or
- (b) section 480 (dormant LLPs).

(2) An LLP is not entitled to any such exemption unless its balance sheet contains a statement by the members to that effect.

(3) An LLP is not entitled to exemption under any of the provisions mentioned in subsection (1)(a) unless its balance sheet contains a statement by the members to the effect that the members acknowledge their responsibilities for complying with the requirements of this Act with respect to accounting records and the preparation of accounts.

(4) The statement required by subsection (2) or (3) must appear on the balance sheet above the signature required by section 414.”

Exemption from audit: small LLPs

34. Sections 477 to 479(1) apply to LLPs, modified so that they read as follows—

“Small LLPs: conditions for exemption from audit

477.—(1) An LLP that meets the following conditions in respect of a financial year is exempt from the requirements of this Act relating to the audit of accounts for that year.

(2) The conditions are—

- (a) that the LLP qualifies as a small LLP in relation to that year,
- (b) that its turnover in that year is not more than £6.5 million, and
- (c) that its balance sheet total for that year is not more than £3.26 million.

(1) Sections 477(2) and 479(2) were amended by regulation 5 of [S.I. 2008/393](#), and section 478 was amended by regulation 3(5) of [S.I. 2007/2932](#).

(3) For a period which is an LLP's financial year but not in fact a year the maximum figure for turnover shall be proportionately adjusted.

(4) For the purposes of this section—

- (a) whether an LLP qualifies as a small LLP shall be determined in accordance with section 382(1) to (6), and
- (b) “balance sheet total” has the same meaning as in that section.

(5) This section has effect subject to—

- section 475(2) and (3) (requirements as to statements to be contained in balance sheet),
- section 478 (LLPs excluded from small LLPs exemption), and
- section 479 (availability of small LLPs exemption in case of group LLP).

LLPs excluded from small LLPs exemption

478. An LLP is not entitled to the exemption conferred by section 477 (small LLPs) 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) is an authorised insurance company, a banking LLP, an e-money issuer, a MiFID investment firm or a UCITS management company, or
 - (ii) carries on insurance market activity, or
- (c) an employers' association as defined in section 122 of the Trade Union and Labour Relations (Consolidation) Act 1992 (c.52) or Article 4 of the Industrial Relations (Northern Ireland) Order 1992 (S.I. 1992/807 (N.I. 5)).

Availability of small LLPs exemption in case of group LLP

479.—(1) An LLP is not entitled to the exemption conferred by section 477 (small LLPs) in respect of a financial year during any part of which it was a group LLP unless—

- (a) the conditions specified in subsection (2) below are met, or
- (b) subsection (3) applies.

(2) The conditions are—

- (a) that the group—
 - (i) qualifies as a small group in relation to that financial year, and
 - (ii) was not at any time in that year an ineligible group;
- (b) that the group's aggregate turnover in that year is not more than £6.5 million net (or £7.8 million gross);
- (c) that the group's aggregate balance sheet total for that year is not more than £3.26 million net (or £3.9 million gross).

(3) An LLP is not excluded by subsection (1) if, throughout the whole of the period or periods during the financial year when it was a group LLP, it was both a subsidiary undertaking and dormant.

(4) In this section—

- (a) “group LLP” means an LLP that is a parent LLP or a subsidiary undertaking, and

- (b) “the group”, in relation to a group LLP, means that LLP together with all its associated undertakings.

For this purpose undertakings are associated if one is a subsidiary undertaking of the other or both are subsidiary undertakings of a third undertaking.

- (5) For the purposes of this section—
 - (a) whether a group qualifies as small shall be determined in accordance with section 383 (LLPs qualifying as small: parent LLPs);
 - (b) “ineligible group” has the meaning given by section 384(2) and (3);
 - (c) a group’s aggregate turnover and aggregate balance sheet total shall be determined as for the purposes of section 383;
 - (d) “net” and “gross” have the same meaning as in that section;
 - (e) an LLP may meet any relevant requirement on the basis of either the gross or the net figure.
- (6) The provisions mentioned in subsection (5) apply for the purposes of this section as if all the bodies corporate in the group were LLPs or companies.”

Exemption from audit: dormant LLPs

35. Sections 480 and 481(2) apply to LLPs, modified so that they read as follows—

“Dormant LLPs: conditions for exemption from audit

480.—(1) An LLP is exempt from the requirements of this Act relating to the audit of accounts in respect of a financial year if—

- (a) it has been dormant since its formation, or
 - (b) it has been dormant since the end of the previous financial year and the following conditions are met.
- (2) The conditions are that the LLP—
- (a) as regards its individual accounts for the financial year in question—
 - (i) is entitled to prepare accounts in accordance with the small LLPs regime (see sections 381 to 384), or
 - (ii) would be so entitled but for having been a member of an ineligible group, and
 - (b) is not required to prepare group accounts for that year.
- (3) This section has effect subject to—
- section 475(2) and (3) (requirements as to statements to be contained in balance sheet), and
 - section 481 (LLPs excluded from dormant LLPs exemption).

LLPs excluded from dormant LLPs exemption

481. An LLP is not entitled to the exemption conferred by section 480 (dormant LLPs) if it was at any time within the financial year in question an LLP that—

- (a) is an authorised insurance company, a banking LLP, an e-money issuer, a MiFID investment firm or a UCITS management company, or

(2) Section 481 was amended by regulation 3(6) of [S.I. 2007/2932](#).

(b) carries on insurance market activity.”