

SCHEDULE 3

Amendments to the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

4. After regulation 12 (approval and signing of accounts) insert—

“Strategic report

12A. Sections 414A, 414C and 414D apply to LLPs, modified so that they read as follows—

“414A Duty to prepare strategic report

(1) The members of an LLP which is—

- (a) a traded LLP, or
- (b) a banking LLP,

must prepare a strategic report for each financial year of the LLP.

(2) For a financial year in which—

- (a) the LLP is a parent LLP, and
- (b) the members of the LLP prepare group accounts,

the strategic report must be a consolidated report (a “group strategic report”) relating to the undertakings included in the consolidation.

(3) A group strategic report may, where appropriate, give greater emphasis to the matters that are significant to the undertakings included in the consolidation, taken as a whole.

(4) In the case of failure to comply with the requirement to prepare a strategic report, an offence is committed by every person who—

- (a) was a member of the LLP immediately before the end of the period for filing accounts and reports for the financial year in question, and
- (b) failed to take all reasonable steps for securing compliance with that requirement.

(5) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

414C Contents of strategic report

(1) The strategic report must contain—

- (a) a fair review of the LLP’s business, and
- (b) a description of the principal risks and uncertainties facing the LLP.

(2) The review required is a balanced and comprehensive analysis of—

- (a) the development and performance of the LLP’s business during the financial year, and
- (b) the position of the LLP’s business at the end of that year,

consistent with the size and complexity of the business.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(3) The review must, to the extent necessary for an understanding of the development, performance or position of the LLP's business, include—

- (a) analysis using financial key performance indicators, and
- (b) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.

(4) In subsection (3), “key performance indicators” means factors by reference to which the development, performance or position of the LLP's business can be measured effectively.

(5) The report must, where appropriate, include references to, and additional explanations of, amounts included in the LLP's annual accounts.

(6) In relation to a group strategic report this section has effect as if the references to the LLP were references to the undertakings included in the consolidation.

(7) Nothing in this section requires the disclosure of information about impending developments or matters in the course of negotiation if the disclosure would, in the opinion of the members, be seriously prejudicial to the interests of the LLP.

414D Approval and signing of strategic report

(1) The strategic report must be approved by the members and signed on behalf of all the members by a designated member.

(2) If a strategic report is approved that does not comply with the requirements of this Act, every member who—

- (a) knew that it did not comply, or was reckless as to whether it complied, and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the report from being approved,

commits an offence.

(3) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.””