
EXPLANATORY NOTE

(This note is not part of the Regulations)

The Limited Liability Partnerships Act 2000 and the Limited Liability Partnerships Act (Northern Ireland) 2002 provide for the creation of limited liability partnerships (LLPs) and for the making of regulations concerning them.

These Regulations replace provisions of the Limited Liability Partnerships Regulations 2001 (“the 2001 Regulations”) and the Limited Liability Partnerships Regulations (Northern Ireland) 2004 (“the 2004 Regulations”) which apply to LLPs provisions of the Companies Act 1985 (“the 1985 Act”) and the Companies (Northern Ireland) Order 1986 (“the 1986 Order”) relating to accounts and audit. They apply to LLPs, with modifications, provisions on the accounts and audit of companies contained in the Companies Act 2006 (“the 2006 Act”) and extend to the United Kingdom (reflecting the extent of the 2006 Act).

Separate regulations (the Small Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1912) and the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1913), to which these Regulations cross-refer, apply to LLPs provisions on the form and content of accounts previously contained in the Schedules to Part 7 of the 1985 Act and Part 8 of the 1986 Order and now prescribed in regulations made under Part 15 of the 2006 Act.

Part 1 of the Regulations contains general introductory provisions on citation, commencement, application and interpretation. The Regulations come into force on 1st October 2008, and for the most part apply to financial years beginning on or after 1st October 2008 (regulation 2).

Parts 2 to 9 of the Regulations apply provisions of Part 15 of the 2006 Act on accounts to LLPs with modifications.

Part 2 of the Regulations applies to LLPs the provisions in Part 15 of the 2006 Act determining when a company or group qualifies as small.

Parts 3 and 4 of the Regulations apply to LLPs the provisions in Part 15 of the 2006 Act concerning the keeping of accounting records and the determination of financial years.

Part 5 of the Regulations applies to LLPs the provisions in Part 15 of the 2006 Act concerning the preparation of accounts, including new section 410A of the 2006 (which requires disclosure in the notes to accounts of off-balance sheet arrangements) which is applied to large and medium-sized LLPs.

Parts 6 and 7 of the Regulations apply to LLPs the requirements in Part 15 of the 2006 Act concerning the publication and filing with the registrar of companies of accounts and auditors' reports on them. Section 423 of the 2006 Act as applied does not re-enact the current requirement for LLPs to send copies of their annual accounts and auditor's report to members and others within one month of the accounts being signed. It provides instead for the accounts to be sent no later than the end of the period for filing them with the registrar of companies of, if earlier, the date on which they are actually delivered to the registrar. Section 453 of the 2006 Act and regulations made under it (the Companies (Late Filing Penalties) and Limited Liability Partnerships (Filing Periods and Late Filing Penalties) Regulations 2008 (S.I. 2008/497)) are applied to LLPs with modifications. The penalties which LLPs must pay to the registrar of companies are those specified for private companies in regulation 4 of S.I. 2008/497, the penalty being doubled for late filing in two successive years beginning on or after 1st October 2008.

Part 8 applies to LLPs the provisions on defective accounts in the 2006 Act and in the Companies (Revision of Defective Accounts and Reports) Regulations 2008 (S.I. 2008/373). Part 9 applies supplementary provisions of Part 15 to LLPs, including provisions determining when a company or group qualifies as medium-sized and definitions.

Changes to legislation: *There are currently no known outstanding effects for the The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. (See end of Document for details)*

Parts 10 to 14 of the Regulations apply provisions of Part 16 of the 2006 Act on the audit of accounts to LLPs with modifications. In particular, the new provision in Part 16 on signature of audit reports by the senior statutory auditor (sections 503 to 506), the new offence in connection with the audit report (sections 507 to 509) and strengthened rules on statements by those ceasing to be auditor (sections 519 to 525 as they apply to unquoted companies) are applied to LLPs with modifications. Parts 1 and 2 of the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 (S.I. 2008/489) are applied to LLPs.

Part 15 prescribes an audit of an LLP as a statutory audit for the purposes of section 1210(1)(h) of the 2006 Act.

Part 16 of the Regulations applies provisions of Part 36 of the 2006 Act on offences to LLPs with modifications. Part 17 contains supplementary and interpretation provisions, and Part 18 revocations and transitionals.

An Impact Assessment of the effect that these Regulations will have on the costs of business, charities or voluntary bodies has been prepared and is available from the Department for Business, Enterprise and Regulatory Reform, Corporate Law and Governance Directorate, 1 Victoria Street, London SW1H 0ET. It is also available electronically at <http://www.berr.gov.uk/bbf/llp/page39897.html>. Copies have also been placed in the libraries of both Houses of Parliament.

Changes to legislation:

There are currently no known outstanding effects for the The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.