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STATUTORY INSTRUMENTS

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**2008 No. 1911**

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

**PART 2**

**LLPs QUALIFYING AS SMALL**

**LLPs subject to the small LLPs regime**

5. Sections 381 to 384<sup>M1</sup> apply to LLPs, modified so that they read as follows—

**“381 LLPs subject to the small LLPs regime**

**381.** The small LLPs regime applies to an LLP for a financial year in relation to which the LLP—

- (a) qualifies as small (see sections 382 and 383), and
- (b) is not excluded from the regime (see section 384).

**382 LLPs qualifying as small: general**

(1) An LLP qualifies as small in relation to its first financial year if the qualifying conditions are met in that year.

[<sup>F1</sup>(1A) Subject to subsection (2), an LLP qualifies as small in relation to a subsequent financial year if the qualifying conditions are met in that year.]

[<sup>F2</sup>(2) In relation to a subsequent financial year, where on its balance sheet date an LLP meets or ceases to meet the qualifying conditions, that affects its qualification as a small LLP only if it occurs in two consecutive financial years.]

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

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1.	Turnover	[ <sup>F3</sup> Not more than £10.2 million]
2.	Balance sheet total	[ <sup>F4</sup> Not more than £5.1 million]
3.	Number of employees	Not more than 50

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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 383 (LLPs qualifying as small: parent LLPs).

**383 LLPs qualifying as small: parent LLPs**

(1) A parent LLP qualifies as a small LLP in relation to a financial year only if the group headed by it qualifies as a small group.

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

[<sup>F5</sup>(2A) Subject to subsection (3), a group qualifies as small in relation to a subsequent financial year of the parent LLP if the qualifying conditions are met in that year.]

[<sup>F6</sup>(3) In relation to a subsequent financial year of the parent LLP, where on the parent LLP's balance sheet date the group meets or ceases to meet the qualifying conditions, that affects the group's qualification as a small group only if it occurs in two consecutive financial years.]

(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	[ <sup>F7</sup> Not more than £10.2 million net (or £12.2 million gross)]
2.	Aggregate balance sheet total	[ <sup>F8</sup> Not more than £5.1 million net (or £6.1 million gross)]
3.	Aggregate number of employees	Not more than 50

(5) The aggregate figures are ascertained by aggregating the relevant figures determined in accordance with section 382 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 Part 1 of Schedule 4 to the Small Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1912) or 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 [<sup>F9</sup>UK-adopted 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.

### **384 LLPs excluded from the small LLPs regime**

(1) The small LLPs regime does not apply to an LLP that <sup>F10</sup>... was at any time within the financial year to which the accounts relate—

[<sup>F11</sup>(a) a traded LLP,]

(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, [<sup>F12</sup>or]

(ii) carries on insurance market activity, or

[<sup>F13</sup>(iii) is a scheme funder of a Master Trust scheme within the meanings given by section 39(1) of the Pension Schemes Act 2017 [<sup>F14</sup>or section 39(1) of the Pension Schemes Act (Northern Ireland) 2021] (interpretation of Part 1), or]

(c) a member of an ineligible group.

(2) A group is ineligible if any of its members is—

[<sup>F15</sup>(a) a traded company,]

(b) a body corporate (other than a company) whose shares are admitted to trading on a [<sup>F16</sup>UK regulated market],

(c) a person (other than a small company or small LLP) who has permission under [<sup>F17</sup>Part 4A] of the Financial Services and Markets Act 2000 (c.8) to carry on a regulated activity,

[<sup>F18</sup>(ca) an e-money issuer,]

(d) a small company or small LLP that is an authorised insurance company, a banking company or banking LLP, <sup>F19</sup>... a MiFID investment firm or a UCITS management company, [<sup>F20</sup>or]

(e) a person who carries on insurance market activity, [<sup>F21</sup>or]

[<sup>F22</sup>(f) a scheme funder of a Master Trust scheme within the meanings given by section 39(1) of the Pension Schemes Act 2017 [<sup>F23</sup>or section 39(1) of the Pension Schemes Act (Northern Ireland) 2021] (interpretation of Part 1).]

(3) A company or LLP is a small company or 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 to which the accounts relate.”

**F1** Words in reg. 5 inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **5(2)(a)**

**F2** Words in reg. 5 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **5(2)(b)**

- F3** Words in reg. 5 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(2)(c)(i)**
- F4** Words in reg. 5 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(2)(c)(ii)**
- F5** Words in reg. 5 inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(3)(a)**
- F6** Words in reg. 5 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(3)(b)**
- F7** Words in reg. 5 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(3)(c)(i)**
- F8** Words in reg. 5 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(3)(c)(ii)**
- F9** Words in reg. 5 substituted (31.12.2020 with effect in relation to accounts for financial years beginning on or after IP completion day) by The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/685), reg. 1(2), **Sch. 1 para. 58(2)** (with reg. 1(3)-(8), Sch. 1 para. 65); 2020 c. 1, **Sch. 5 para. 1(1)**
- F10** Words in reg. 5 omitted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by virtue of The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(4)(a)(i)**
- F11** Words in reg. 5 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(4)(a)(ii)**
- F12** Word in reg. 5 omitted (E.W.S.) (1.10.2018) by virtue of The Occupational Pension Schemes (Master Trusts) Regulations 2018 (S.I. 2018/1030), regs. 1(2), **31(2)(a)(i)**
- F13** Words in reg. 5 inserted (E.W.S.) (1.10.2018) by The Occupational Pension Schemes (Master Trusts) Regulations 2018 (S.I. 2018/1030), regs. 1(2), **31(2)(a)(ii)**
- F14** Words in reg. 5 inserted (N.I.) (29.9.2023) by The Occupational Pension Schemes (Master Trusts) (No. 2) Regulations (Northern Ireland) 2023 (S.R. 2023/148), regs. 1, **31(2)(a)**
- F15** Words in reg. 5 substituted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **5(4)(b)**
- F16** Words in reg. 5 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 12** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F17** Words in reg. 5 substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), arts. 1, **4**
- F18** Words in reg. 5 inserted (with application in accordance with reg. 1(3) of the amending S.I.) by The Companies and Partnerships (Accounts and Audit) Regulations 2013 (S.I. 2013/2005), regs. 1(1), **3(2)(a)** (with reg. 1(5)(6))
- F19** Words in reg. 5 omitted (with application in accordance with reg. 1(3) of the amending S.I.) by virtue of The Companies and Partnerships (Accounts and Audit) Regulations 2013 (S.I. 2013/2005), regs. 1(1), **3(2)(b)** (with reg. 1(5)(6))
- F20** Word in reg. 5 omitted (E.W.S.) (1.10.2018) by virtue of The Occupational Pension Schemes (Master Trusts) Regulations 2018 (S.I. 2018/1030), regs. 1(2), **31(2)(b)(i)**
- F21** Word in reg. 5 inserted (E.W.S.) (1.10.2018) by The Occupational Pension Schemes (Master Trusts) Regulations 2018 (S.I. 2018/1030), regs. 1(2), **31(2)(b)(ii)**

- F22** Words in reg. 5 inserted (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **31(2)(b)(iii)**
- F23** Words in reg. 5 inserted (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **31(2)(b)**

**Marginal Citations**

- M1** Section 381 was amended by regulation 6(1) of [S.I. 2008/393](#), **section 382(3)** by regulation 3(1) of [S.I. 2008/393](#), section 383(4) by regulation 3(2) of [S.I. 2008/393](#), and section 384 by regulation 3(2) of [S.I. 2007/2932](#).

**[<sup>F24</sup>LLPs qualifying as micro-entities**

**5A.** Sections 384A and 384B apply to LLPs, modified so that they read as follows—

**“384A LLPs qualifying as micro-entities**

(1) An LLP qualifies as a micro-entity in relation to its first financial year if the qualifying conditions are met in that year.

(2) Subject to subsection (3), an LLP qualifies as a micro-entity in relation to a subsequent financial year if the qualifying conditions are met in that year.

(3) In relation to a subsequent financial year, where on its balance sheet date an LLP meets or ceases to meet the qualifying conditions, that affects its qualification as a micro-entity only if it occurs in two consecutive financial years.

(4) 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 £632,000
2. Balance sheet total	Not more than £316,000
3. Number of employees	Not more than 10

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

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

(7) 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.

(8) In the case of an LLP which is a parent LLP, the LLP qualifies as a micro-entity in relation to a financial year only if—

- (a) the LLP qualifies as a micro-entity in relation to that year, as determined by subsections (1) to (7), and
- (b) the group headed by the LLP qualifies as a small group, as determined by section 383(2) to (7).

### LLPs excluded from being treated as micro-entities

(1) The micro-entity provisions do not apply in relation to an LLP's accounts for a particular financial year if the LLP<sup>F25</sup> ... at any time within that year—

- (a) [<sup>F26</sup>was] an LLP excluded from the small LLPs regime by virtue of section 384,
- (b) [<sup>F27</sup>would have been] an investment undertaking as defined in Article 2(14) of [Directive 2013/34/EU](#) of 26 June 2013 on the annual financial statements etc. of certain types of undertakings [<sup>F28</sup>were the United Kingdom a member State],
- (c) [<sup>F29</sup>would have been] a financial holding undertaking as defined in Article 2(15) of that Directive [<sup>F30</sup>were the United Kingdom a member State],
- <sup>F31</sup>(d) a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, [<sup>F32</sup>which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation,]
- (e) [<sup>F33</sup>would have been] an insurance undertaking as defined in Article 2(1) of Council [Directive 91/674/EEC](#) of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings [<sup>F34</sup>were the United Kingdom a member State].

(2) The micro-entity provisions also do not apply in relation to an LLP's accounts for a financial year if—

- (a) the LLP is a parent LLP which prepares group accounts for that year as permitted by section [<sup>F35</sup>399(4)], or
- (b) the LLP is not a parent LLP but its accounts are included in consolidated group accounts for that year.”]

- F24** Reg. 5A inserted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016](#) (S.I. 2016/575), regs. 2(1), 6
- F25** Word in reg. 5A omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 13(a)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F26** Word in reg. 5A inserted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 13(b)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F27** Words in reg. 5A inserted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 13(c)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F28** Words in reg. 5A inserted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 13(c)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F29** Words in reg. 5A inserted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 13(d)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F30** Words in reg. 5A inserted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I.

- 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 13(d)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F31** Words in reg. 5A substituted (6.2.2019) by **The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145)**, reg. 1(2)(a), **Sch. 1 para. 3**
- F32** Words in reg. 5A substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by **The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145)**, regs. 1(2)(b), 2, **Sch. 3 para. 13(e)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F33** Words in reg. 5A inserted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by **The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145)**, regs. 1(2)(b), 2, **Sch. 3 para. 13(f)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F34** Words in reg. 5A inserted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by **The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145)**, regs. 1(2)(b), 2, **Sch. 3 para. 13(f)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F35** Word in reg. 5A substituted (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by **The Statutory Auditors Regulations 2017 (S.I. 2017/1164)**, reg. 1(2)(3), **Sch. 3 para. 2** (with reg. 2(6)(7))

**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, PART 2.