
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations specify the form and content of the accounts of limited liability partnerships (LLPs) subject to the small LLPs regime under Part 15 of the Companies Act 2006 (c.46) (“the 2006 Act”) as applied to LLPs with modifications by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (S.I. 2008/1911). They do so by applying to LLPs, with modifications, provisions of the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008 (S.I. 2008/409).

Section 381 of the 2006 Act as applied to LLPs defines what is meant by “small LLPs regime”. The accounts of large and medium-sized LLPs are dealt with separately in the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1913).

The Regulations replace provisions previously contained in the Schedules to Part 7 of the Companies Act 1985 (c.6) (“the 1985 Act”) and in the Schedules to Part 8 of the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6)) (“the 1986 Order”) as applied to LLPs with modifications by the Limited Liability Partnerships Regulations 2001 (S.I. 2001/1090) and the Limited Liability Partnerships Regulations (Northern Ireland) 2004 (SR (NI) 2004/307). The Regulations extend to the whole of the United Kingdom, reflecting the extent of the 2006 Act.

The Regulations come into force on 1st October 2008, and apply to financial years beginning on or after that date (regulation 2). The corresponding provisions of the 1985 Act or the 1986 Order as applied to LLPs with modifications continue to apply to accounts for financial years beginning before that date.

Regulation 3 of, and Schedule 1 to, the Regulations specify the form and content of the individual accounts of an LLP which is subject to the small LLPs regime and the members of which are preparing non-IAS individual accounts (as defined in section 395 of the 2006 Act as applied to LLPs). Schedule 1 re-enacts Schedule 8 to the 1985 Act and Schedule 8 to the 1986 Order as applied to LLPs, with one substantive modification. Paragraph 36(4) of Schedule 1 gives LLPs the option of including financial instruments in the accounts at a fair value provided that they may be so included under international accounting standards adopted under the IAS Regulation (as defined in section 474(1) of the 2006 Act as applied to LLPs) on or before 5th September 2006, and provided that the disclosures required by such standards are made.

Regulation 4 of, and Schedule 2 to, the Regulations re-enact the requirements of Part 1 of Schedule 5 to the 1985 Act and Part 1 of Schedule 5 to the 1986 Order for small LLPs. They concern information about related undertakings which must be provided in the notes to an LLP’s individual accounts, whether they are non-IAS accounts or IAS accounts.

Regulation 5 of, and Schedule 3 to, the Regulations make provision about non-IAS individual accounts which may be delivered to the registrar of companies for a small LLP under section 444 of the 2006 Act as applied to LLPs. Schedule 3 re-enacts Schedule 8A to the 1985 Act and Schedule 8A to the 1986 Order as applied to LLPs.

Regulation 6 of, and Part 1 of Schedule 4 to, the Regulations specify the form and content of non-IAS group accounts which a parent LLP subject to the small LLPs regime may choose to prepare, although not required to do so (see section 398 of the 2006 Act as applied to LLPs). Part 1 of Schedule 4 re-enacts Schedule 4A to the 1985 Act and Schedule 4A to the 1986 Order as they apply to small LLPs, save that paragraphs 9, 13 and 17 have been simplified to facilitate convergence with international accounting standards.

Status: This is the original version (as it was originally made).

Regulation 7 of, and Part 2 of Schedule 4 to, the Regulations concern information about related undertakings which must be included in the notes to IAS and non-IAS group accounts which the directors of a small parent LLP choose to prepare. Part 2 of Schedule 4 re-enacts Part 2 of Schedule 5 to the 1985 Act and Part 2 of Schedule 5 to the 1986 Order as applied to LLPs.

Regulation 8 of, and Schedule 5 to, the Regulations contain general interpretation provisions.

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.