

SCHEDULE 2

Regulation 5

INFORMATION ON RELATED UNDERTAKINGS REQUIRED WHETHER PREPARING NON-IAS OR IAS ACCOUNTS

PART 1

PROVISIONS APPLYING TO ALL LLPs

Subsidiary undertakings

1.—(1) The following information must be given where at the end of the financial year the LLP has subsidiary undertakings.

- (2) The name of each subsidiary undertaking must be stated.
- (3) There must be stated with respect to each subsidiary undertaking—
 - (a) if it is incorporated outside the United Kingdom, the country in which it is incorporated,
 - (b) if it is unincorporated, the address of its principal place of business.

Financial information about subsidiary undertakings

2.—(1) There must be disclosed with respect to each subsidiary undertaking not included in consolidated accounts by the LLP—

- (a) the aggregate amount of its capital and reserves as at the end of its relevant financial year, and
- (b) its profit or loss for that year.

(2) That information need not be given if the LLP is exempt by virtue of section 400 or 401 of the 2006 Act from the requirement to prepare group accounts (parent LLP included in accounts of larger group).

(3) That information need not be given if the LLP's investment in the subsidiary undertaking is included in the LLP's accounts by way of the equity method of valuation.

- (4) That information need not be given if—
 - (a) the subsidiary undertaking is not required by any provision of the 2006 Act to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and
 - (b) the LLP's holding is less than 50% of the nominal value of the shares in the undertaking.

(5) Information otherwise required by this paragraph need not be given if it is not material.

(6) For the purposes of this paragraph the “relevant financial year” of a subsidiary undertaking is—

- (a) if its financial year ends with that of the LLP, that year, and
- (b) if not, its financial year ending last before the end of the LLP's financial year.

Significant holdings in undertakings other than subsidiary undertakings

3.—(1) The information required by paragraphs 4 and 5 must be given where at the end of the financial year the LLP has a significant holding in an undertaking which is not a subsidiary undertaking of the LLP, and which does not fall within paragraph 16 (joint ventures) or 17 (associated undertakings).

Status: This is the original version (as it was originally made).

- (2) A holding is significant for this purpose if—
 - (a) it amounts to 20% or more of the nominal value of any class of shares in the undertaking, or
 - (b) the amount of the holding (as stated or included in the LLP's individual accounts) exceeds one-fifth of the amount (as so stated) of the LLP's assets.

4.—(1) The name of the undertaking must be stated.

(2) There must be stated—

- (a) if the undertaking is incorporated outside the United Kingdom, the country in which it is incorporated,
- (b) if it is unincorporated, the address of its principal place of business.

(3) There must also be stated—

- (a) the identity of each class of shares in the undertaking held by the LLP, and
- (b) the proportion of the nominal value of the shares of that class represented by those shares.

5.—(1) Subject to paragraph 12, there must also be stated—

- (a) the aggregate amount of the capital and reserves of the undertaking as at the end of its relevant financial year, and
- (b) its profit or loss for that year.

(2) That information need not be given in respect of an undertaking if—

- (a) the undertaking is not required by any provision of the 2006 Act to deliver a copy of its balance sheet for its relevant financial year and does not otherwise publish that balance sheet in the United Kingdom or elsewhere, and
- (b) the LLP's holding is less than 50% of the nominal value of the shares in the undertaking.

(3) Information otherwise required by this paragraph need not be given if it is not material.

(4) For the purposes of this paragraph the “relevant financial year” of an undertaking is—

- (a) if its financial year ends with that of the LLP, that year, and
- (b) if not, its financial year ending last before the end of the LLP's financial year.

Parent undertaking drawing up accounts for larger group

6.—(1) Where the LLP is a subsidiary undertaking, the following information must be given with respect to the parent undertaking of—

- (a) the largest group of undertakings for which group accounts are drawn up and of which the LLP is a member, and
- (b) the smallest such group of undertakings.

(2) The name of the parent undertaking must be stated.

(3) There must be stated—

- (a) if the undertaking is incorporated outside the United Kingdom, the country in which it is incorporated,
- (b) if it is unincorporated, the address of its principal place of business.

(4) If copies of the group accounts referred to in sub-paragraph (1) are available to the public, there must also be stated the addresses from which copies of the accounts can be obtained.

Identification of ultimate parent

7.—(1) Where the LLP is a subsidiary undertaking, the following information must be given with respect to the body corporate (if any) regarded by the members as being the LLP's ultimate parent.

(2) The name of that body corporate must be stated.

(3) If that body corporate is incorporated outside the United Kingdom, the country in which it is incorporated must be stated (if known to the members).

PART 2

LLP NOT REQUIRED TO PREPARE GROUP ACCOUNTS

Reason for not preparing group accounts

8.—(1) The reason why the LLP is not required to prepare group accounts must be stated.

(2) If the reason is that all the subsidiary undertakings of the LLP fall within the exclusions provided for in section 405 of the 2006 Act (non-IAS group accounts: subsidiary undertakings included in the consolidation), it must be stated with respect to each subsidiary undertaking which of those exclusions applies.

Holdings in subsidiary undertakings

9.—(1) There must be stated in relation to shares of each class held by the LLP in a subsidiary undertaking—

(a) the identity of the class, and

(b) the proportion of the nominal value of the shares of that class represented by those shares.

(2) The shares held by or on behalf of the LLP itself must be distinguished from those attributed to the LLP which are held by or on behalf of a subsidiary undertaking.

Financial years of subsidiary undertakings

10. Where—

(a) disclosure is made under paragraph 2(1) with respect to a subsidiary undertaking, and

(b) that undertaking's financial year does not end with that of the LLP,

there must be stated in relation to that undertaking the date on which its last financial year ended (last before the end of the LLP's financial year).

Exemption from giving information about significant holdings in non-subsidiary undertakings

11. The information otherwise required by paragraph 3 (significant holdings in undertakings other than subsidiary undertaking) need not be given if—

(a) the LLP is exempt by virtue of section 400 or 401 of the 2006 Act from the requirement to prepare group accounts (parent LLP included in accounts of larger group), and

(b) the investment of the LLP in all undertakings in which it has such a holding as is mentioned in sub-paragraph (1) is shown, in aggregate, in the notes to the accounts by way of the equity method of valuation.

Construction of references to shares held by LLP

12.—(1) References in Parts 1 and 2 of this Schedule to shares held by an LLP are to be construed as follows.

(2) For the purposes of paragraphs 2, 9 and 10 (information about subsidiary undertakings)—

- (a) there must be attributed to the LLP any shares held by a subsidiary undertaking, or by a person acting on behalf of the LLP or a subsidiary undertaking; but
- (b) there must be treated as not held by the LLP any shares held on behalf of a person other than the LLP or a subsidiary undertaking.

(3) For the purposes of paragraphs 3 to 5 (information about undertakings other than subsidiary undertakings)—

- (a) there must be attributed to the LLP shares held on its behalf by any person; but
- (b) there must be treated as not held by an LLP shares held on behalf of a person other than the LLP.

(4) For the purposes of any of those provisions, shares held by way of security must be treated as held by the person providing the security—

- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with that person's instructions, and
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in that person's interests.

PART 3

LLP REQUIRED TO PREPARE GROUP ACCOUNTS

Introductory

13. In this Part of this Schedule “the group” means the group consisting of the parent LLP and its subsidiary undertakings.

Subsidiary undertakings

14.—(1) In addition to the information required by paragraph 2, the following information must also be given with respect to the undertakings which are subsidiary undertakings of the parent LLP at the end of the financial year.

(2) It must be stated whether the subsidiary undertaking is included in the consolidation and, if it is not, the reasons for excluding it from consolidation must be given.

(3) It must be stated with respect to each subsidiary undertaking by virtue of which of the conditions specified in section 1162(2) or (4) of the 2006 Act it is a subsidiary undertaking of its immediate parent undertaking.

That information need not be given if the relevant condition is that specified in subsection (2)(a) of that section (holding of a majority of the voting rights) and the immediate parent undertaking holds the same proportion of the shares in the undertaking as it holds voting rights.

Holdings in subsidiary undertakings

15.—(1) The following information must be given with respect to the shares of a subsidiary undertaking held—

- (a) by the parent LLP, and
- (b) by the group,

and the information under paragraphs (a) and (b) must (if different) be shown separately.

(2) There must be stated—

- (a) the identity of each class of shares held, and
- (b) the proportion of the nominal value of the shares of that class represented by those shares.

Joint ventures

16.—(1) The following information must be given where an undertaking is dealt with in the consolidated accounts by the method of proportional consolidation in accordance with paragraph 18 of Schedule 3 to these Regulations (joint ventures)—

- (a) the name of the undertaking,
- (b) the address of the principal place of business of the undertaking,
- (c) the factors on which joint management of the undertaking is based, and
- (d) the proportion of the capital of the undertaking held by undertakings included in the consolidation.

(2) Where the financial year of the undertaking did not end with that of the LLP, there must be stated the date on which a financial year of the undertaking last ended before that date.

Associated undertakings

17.—(1) The following information must be given where an undertaking included in the consolidation has an interest in an associated undertaking.

(2) The name of the associated undertaking must be stated.

(3) There must be stated—

- (a) if the undertaking is incorporated outside the United Kingdom, the country in which it is incorporated,
- (b) if it is unincorporated, the address of its principal place of business.

(4) The following information must be given with respect to the shares of the undertaking held—

- (a) by the parent LLP, and
- (b) by the group,

and the information under paragraphs (a) and (b) must be shown separately.

(5) There must be stated—

- (a) the identity of each class of shares held, and
- (b) the proportion of the nominal value of the shares of that class represented by those shares.

(6) In this paragraph “associated undertaking” has the meaning given by paragraph 19 of Schedule 3 to these Regulations; and the information required by this paragraph must be given notwithstanding that paragraph 21(3) of that Schedule (materiality) applies in relation to the accounts themselves.

Requirement to give information about other significant holdings of parent LLP or group

18.—(1) The information required by paragraphs 4 and 5 must also be given where at the end of the financial year the group has a significant holding in an undertaking which is not a subsidiary undertaking of the parent LLP and does not fall within paragraph 16 (joint ventures) or 17 (associated undertakings), as though the references to the LLP in those paragraphs were a reference to the group.

(2) A holding is significant for this purpose if—

- (a) it amounts to 20% or more of the nominal value of any class of shares in the undertaking, or
- (b) the amount of the holding (as stated or included in the group accounts) exceeds one-fifth of the amount of the group's assets (as so stated).

(3) For the purposes of those paragraphs as applied to a group the “relevant financial year” of an outside undertaking is—

- (a) if its financial year ends with that of the parent LLP, that year, and
- (b) if not, its financial year ending last before the end of the parent LLP's financial year.

Construction of references to shares held by parent LLP or group

19.—(1) References in Parts 1 and 3 of this Schedule to shares held by that parent LLP or group are to be construed as follows.

(2) For the purposes of paragraphs 3 to 5, 15 and 17(4) and (5) (information about holdings in subsidiary and other undertakings)—

- (a) there must be attributed to the parent LLP shares held on its behalf by any person; but
- (b) there must be treated as not held by the parent LLP shares held on behalf of a person other than the LLP.

(3) References to shares held by the group are to any shares held by or on behalf of the parent LLP or any of its subsidiary undertakings; but any shares held on behalf of a person other than the parent LLP or any of its subsidiary undertakings are not to be treated as held by the group.

(4) Shares held by way of security must be treated as held by the person providing the security—

- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in accordance with his instructions, and
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights attached to the shares are exercisable only in his interests.