
STATUTORY INSTRUMENTS

2016 No. 575

**The Limited Liability Partnerships, Partnerships
and Groups (Accounts and Audit) Regulations 2016**

PART 3

**Amendments to the Small Limited Liability
Partnerships (Accounts) Regulations 2008**

Amendments to Section B of Part 2 of Schedule 1 (historical cost accounting rules: non-IAS individual accounts)

38. In Section B of Part 2 of Schedule 1 (historical cost accounting rules: non-IAS individual accounts)—

- (a) in paragraph 19 (provision for diminution in value of a fixed asset)—
 - (i) in sub-paragraph (1), after “set out in” insert “Section B of”; and
 - (ii) for sub-paragraph (3) substitute—

“(3) Provisions made under sub-paragraph (1) or (2) must be charged to the profit and loss account and disclosed separately in a note to the accounts if not shown separately in the profit and loss account.”;
- (b) in paragraph 20 (cessation of reasons for inclusion of provision about diminution in value)—
 - (i) after sub-paragraph (1) insert—

“(1A) But provision made in accordance with paragraph 19(2) in respect of goodwill must not be written back to any extent.”; and
 - (ii) for sub-paragraph (2) substitute—

“(2) Any amounts written back under sub-paragraph (1) must be recognised in the profit and loss account and disclosed separately in a note to the accounts if not shown separately in the profit and loss account.”;
- (c) for paragraphs 21 (development costs) and 22 (goodwill) substitute—

“Intangible Assets

21.—(1) Where this is in accordance with generally accepted accounting principles or practice, development costs may be included in “other intangible assets” under “fixed assets” in the balance sheet formats set out in Section B of Part 1 of this Schedule.

(2) If any amount is included in an LLP’s balance sheet in respect of development costs, the note on accounting policies (see paragraph 44 of this Schedule) must include the following information—

- (a) the period over which the amount of those costs originally capitalised is being or is to be written off, and

(b) the reasons for capitalising the development costs in question.

22.—(1) Intangible assets must be written off over the useful economic life of the intangible asset.

(2) Where in exceptional cases the useful life of intangible assets cannot be reliably estimated, such assets must be written off over a period chosen by the members of the LLP.

(3) The period referred to in sub-paragraph (2) must not exceed ten years.

(4) There must be disclosed in a note to the accounts the period referred to in sub-paragraph (2) and the reasons for choosing that period.”;

(d) for paragraph 26(1) (assets included at a fixed amount) substitute—

“(1) Subject to sub-paragraph (2), the following may be included at a fixed quantity and value in the balance sheet formats set out in Section B of Part 1 of this Schedule—

(a) assets which fall to be included amongst the fixed assets of an LLP under the item “intangible assets”, and

(b) raw materials and consumables within the item “stocks”.”;

(e) at the end of paragraph 27(1) (determination of purchase price of an asset) insert “and then subtracting any incidental reductions in the cost of acquisition”;

(f) in paragraph 28 (determination of purchase price or production cost of stocks and fungible assets)—

(i) in sub-paragraph (1)(a), after “assets which” insert “, by virtue of regulation 3(1) and Section B of Part 1 of this Schedule,”; and

(ii) in sub-paragraph (2)(d), for “similar to any of the methods mentioned above” substitute “reflecting generally accepted best practice”; and

(g) after paragraph 29 (substitution of original stated amount where price or cost unknown) insert—

“Equity method in respect of participating interests

29A. Participating interests may be accounted for using the equity method.”.