
STATUTORY INSTRUMENTS

2016 No. 575

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

PART 2

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

LLPs qualifying as micro-entities

6. After regulation 5 (LLPs subject to the small LLPs regime), insert the following—

“LLPs qualifying as micro-entities

5A. Sections 384A and 384B(1) apply to LLPs, modified so that they read as follows—

“384A 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).

384B 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 was at any time within that year—
- (a) an LLP excluded from the small LLPs regime by virtue of section 384,
 - (b) 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⁽²⁾,
 - (c) a financial holding undertaking as defined in Article 2(15) of that Directive,
 - (d) a credit institution as defined in Article 3 of [Directive 2013/36/EU](#) of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms⁽³⁾, other than one referred to in Article 2(5) of that Directive, or
 - (e) 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⁽⁴⁾.
- (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 398, or
 - (b) the LLP is not a parent LLP but its accounts are included in consolidated group accounts for that year.””

⁽²⁾ OJ No L 182, 29.6.13, p.19.

⁽³⁾ OJ No L 176, 27.06.13, p.338, as last amended by [Directive 2014/59/EU](#).

⁽⁴⁾ OJ No L 374, 31.12.91, p.7, as last amended by [Directive 2006/46/EC](#).