
STATUTORY INSTRUMENTS

2008 No. 1911

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

PART 10

AUDIT REQUIREMENT

Requirement for audited accounts

33. Section 475 applies to LLPs, modified so that it reads as follows—

“Requirement for audited accounts

475.—(1) An LLP's annual accounts for a financial year must be audited in accordance with this Part unless the LLP is exempt from audit under—

(a) section 477 (small LLPs),

[^{F1}(aa) section 479A (subsidiary LLPs)], or

(b) section 480 (dormant LLPs).

(2) An LLP is not entitled to any such exemption unless its balance sheet contains a statement by the members to that effect.

(3) An LLP is not entitled to exemption under any of the provisions mentioned in subsection (1)(a) unless its balance sheet contains a statement by the members to the effect that the members acknowledge their responsibilities for complying with the requirements of this Act with respect to accounting records and the preparation of accounts.

(4) The statement required by subsection (2) or (3) must appear on the balance sheet above the signature required by section 414.”

Textual Amendments

F1 Words in reg. 33 inserted (with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **20(2)**

Exemption from audit: small LLPs

34. Sections 477 to 479 ^{M1} apply to LLPs, modified so that they read as follows—

“477 Small LLPs: conditions for exemption from audit

(1) An LLP that [^{F2}qualifies as a small LLP in relation to] a financial year is exempt from the requirements of this Act relating to the audit of accounts for that year.

- ^{F3}(2)
- ^{F3}(3)
- (4) For the purposes of this section—
 - (a) whether an LLP qualifies as a small LLP shall be determined in accordance with section 382(1) to (6), ^{F4}...
 - ^{F4}(b)
- (5) This section has effect subject to—
 - section 475(2) and (3) (requirements as to statements to be contained in balance sheet),
 - section 478 (LLPs excluded from small LLPs exemption), and
 - section 479 (availability of small LLPs exemption in case of group LLP).

478 LLPs excluded from small LLPs exemption

478. An LLP is not entitled to the exemption conferred by section 477 (small LLPs) if it was at any time within the financial year in question—

- (a) an LLP whose securities are admitted to trading on a [^{F5}UK regulated market],
- (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, [^{F6}or]
 - (ii) carries on insurance market activity, or
 - [^{F7}(iii) is a scheme funder of a Master Trust scheme within the meanings given by section 39(1) of the Pension Schemes Act 2017 [^{F8}or section 39(1) of the Pension Schemes Act (Northern Ireland) 2021] (interpretation of Part 1) or]
- (c) an employers' association as defined in section 122 of the Trade Union and Labour Relations (Consolidation) Act 1992 (c.52) or Article 4 of the Industrial Relations (Northern Ireland) Order 1992 (S.I. 1992/807 (N.I. 5)).

479 Availability of small LLPs exemption in case of group LLP

(1) An LLP is not entitled to the exemption conferred by section 477 (small LLPs) in respect of a financial year during any part of which it was a group LLP unless—

- [^{F9}(a) the group—
 - (i) qualifies as a small group in relation to that financial year, and
 - (ii) was not at any time in that year an ineligible group, or]
- (b) subsection (3) applies.

^{F10}(2)

(3) An LLP is not excluded by subsection (1) if, throughout the whole of the period or periods during the financial year when it was a group LLP, it was both a subsidiary undertaking and dormant.

- (4) In this section—
 - (a) “group LLP” means an LLP that is a parent LLP or a subsidiary undertaking, and
 - (b) “the group”, in relation to a group LLP, means that LLP together with all its associated undertakings.

For this purpose undertakings are associated if one is a subsidiary undertaking of the other or both are subsidiary undertakings of a third undertaking.

- (5) For the purposes of this section—
- (a) whether a group qualifies as small shall be determined in accordance with section 383 (LLPs qualifying as small: parent LLPs);
 - (b) “ineligible group” has the meaning given by section 384(2) and (3);
 - ^{F11}(c)
 - ^{F11}(d)
 - ^{F11}(e)

(6) The provisions mentioned in subsection (5) apply for the purposes of this section as if all the bodies corporate in the group were LLPs or companies.”

Textual Amendments

F2 Words in reg. 34 substituted (with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **20(3)(a)(i)**

F3 Words in reg. 34 omitted (with application in accordance with reg. 2 of the amending S.I.) by virtue of [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **20(3)(a)(ii)**

F4 Words in reg. 34 omitted (with application in accordance with reg. 2 of the amending S.I.) by virtue of [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **20(3)(a)(iii)**

F5 Words in reg. 34 substituted (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **50(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F6 Word in reg. 34 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(4)(a)**

F7 Words in reg. 34 inserted (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **31(4)(b)**

F8 Words in reg. 34 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(4)**

F9 Words in reg. 34 substituted (with application in accordance with reg. 2 of the amending S.I.) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **20(3)(b)(i)**

F10 Words in reg. 34 omitted (with application in accordance with reg. 2 of the amending S.I.) by virtue of [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **20(3)(b)(ii)**

F11 Words in reg. 34 omitted (with application in accordance with reg. 2 of the amending S.I.) by virtue of [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012 \(S.I. 2012/2301\)](#), regs. 1, **20(3)(b)(iii)**

Marginal Citations

M1 Sections 477(2) and 479(2) were amended by regulation 5 of S.I. 2008/393, and section 478 was amended by regulation 3(5) of S.I. 2007/2932.

^{F12}**Exemption from audit: qualifying subsidiaries**

34A. Sections 479A, 479B and 479C apply to LLPs, modified so that they read as follows—

“Subsidiary LLPs: conditions for exemption from audit

(1) An LLP is exempt from the requirements of this Act relating to the audit of individual accounts for a financial year if—

- (a) it is itself a subsidiary undertaking, and
- (b) its parent undertaking is established under the law of [^{F13}any part of the United Kingdom].

(2) Exemption is conditional upon compliance with all of the following conditions—

- (a) all members of the LLP must agree to the exemption in respect of the financial year in question,
- (b) the parent undertaking must give a guarantee under section 479C in respect of that year,
- (c) the LLP must be included in the consolidated accounts drawn up for that year or to an earlier date in that year by the parent undertaking in accordance with—
 - [^{F14}(i) if the undertaking is a company, the requirements of Part 15 of this Act, or, if the undertaking is not a company, the legal requirements which apply to the drawing up of consolidated accounts for that undertaking, or]
 - (ii) [^{F15}UK-adopted international accounting standards (within the meaning given by section 474(1))],
- (d) the parent undertaking must disclose in the notes to the consolidated accounts that the LLP is exempt from the requirements of this Act relating to the audit of individual accounts by virtue of this section,
- (e) the designated members of the LLP must deliver to the registrar on or before the date that they file the LLP’s accounts for that year—
 - (i) a written notice of the agreement referred to in subsection (2)(a),
 - (ii) the statement referred to in section 479C(1),
 - (iii) a copy of the consolidated accounts referred to in subsection 2(c),
 - (iv) a copy of the consolidated annual report drawn up by the parent undertaking, and
 - (v) a copy of the auditor’s report on those accounts.

(3) This section has effect subject to—

section 475(2) and (3) (requirements as to statements contained in balance sheet).

LLPs excluded from the subsidiary LLPs audit exemption

479B An LLP is not entitled to the exemption conferred by section 479A (subsidiary LLPs) if it was at any time within the financial year in question—

[a traded LLP as defined in section 474(1),]

^{F16}(za)

- (a) 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, [^{F17}or]
 - (ii) carries on insurance market activity, or

- [is a scheme funder of a Master Trust scheme within the meanings given by ^{F18}(iii) section 39(1) of the Pension Schemes Act 2017 [^{F19}or section 39(1) of the Pension Schemes Act (Northern Ireland) 2021] (interpretation of Part 1), or]
- (b) an employers' association as defined in section 122 of the Trade Union and Labour Relations (Consolidation) Act 1992 (c 52) or Article 4 of the Industrial Relations (Northern Ireland) Order 1992 (S.I. 1992/807) (NI 5).

Parent undertaking declaration of guarantee of subsidiary's liabilities

(1) A guarantee is given by a parent undertaking under this section when the designated members of the subsidiary LLP deliver to the registrar a statement by the parent undertaking that it guarantees the subsidiary LLP under this section.

(2) The statement under subsection (1) must be authenticated by the parent undertaking and must specify—

- (a) the name of the parent undertaking,
^{F20}(b) the registered number (if any) of the parent undertaking,]
^{F21}(c)
(d) the name and registered number of the subsidiary LLP in respect of which the guarantee is being given,
(e) the date of the statement, and
(f) the financial year to which the guarantee relates.

(3) A guarantee given under this section has the effect that—

- (a) the parent undertaking guarantees all outstanding liabilities to which the subsidiary LLP is subject at the end of the financial year to which the guarantee relates, until they are satisfied in full, and
(b) the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary LLP is liable in respect of those liabilities".]

Textual Amendments

- F12** Reg. 34A inserted (with effect in relation to accounts for financial years ending on or after 1.10.2012) by [The Companies and Limited Liability Partnerships \(Accounts and Audit Exemptions and Change of Accounting Framework\) Regulations 2012](#) (S.I. 2012/2301), regs. 1, 2, **20(4)**
- F13** Words in reg. 34A substituted (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/177), regs. 2, **50(b)(i)** (as substituted by S.I. 2019/1392, regs. 1(2), 7) (with transitional provisions in S.I. 2019/177, Sch. 4 para. 1(za)); 2020 c. 1, Sch. 5 para. 1(1)
- F14** Words in reg. 34A substituted (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/177), regs. 2, **50(b)(ii)** (as substituted by S.I. 2019/1392, regs. 1(2), 7) (with transitional provisions in S.I. 2019/177, Sch. 4 para. 1(za)); 2020 c. 1, Sch. 5 para. 1(1)
- F15** Words in reg. 34A 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(8)** (with reg. 1(3)-(8), Sch. 1 para. 65); 2020 c. 1, Sch. 5 para. 1(1)
- F16** Words in reg. 34A 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), **22(3)**

- F17** Word in reg. 34A 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(5)(a)**
- F18** Words in reg. 34A inserted (E.W.S.) (1.10.2018) by *The Occupational Pension Schemes (Master Trusts) Regulations 2018* (S.I. 2018/1030), regs. 1(2), **31(5)(b)**
- F19** Words in reg. 34A 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(5)**
- F20** Words in reg. 34A substituted (31.12.2020) by *The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019* (S.I. 2019/177), regs. 2, **50(c)(i)** (as substituted by S.I. 2019/1392, regs. 1(2), 7); 2020 c. 1, Sch. 5 para. 1(1)
- F21** Words in reg. 34A omitted (31.12.2020) by virtue of *The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019* (S.I. 2019/177), regs. 2, **50(c)(ii)** (as substituted by S.I. 2019/1392, regs. 1(2), 7); 2020 c. 1, Sch. 5 para. 1(1)

Exemption from audit: dormant LLPs

35. Sections 480 and 481^{M2} apply to LLPs, modified so that they read as follows—

“Dormant LLPs: conditions for exemption from audit

480.—(1) An LLP is exempt from the requirements of this Act relating to the audit of accounts in respect of a financial year if—

- (a) it has been dormant since its formation, or
- (b) it has been dormant since the end of the previous financial year and the following conditions are met.

(2) The conditions are that the LLP—

- (a) as regards its individual accounts for the financial year in question—
 - (i) is entitled to prepare accounts in accordance with the small LLPs regime (see sections 381 to 384), or
 - (ii) would be so entitled but for having been a member of an ineligible group, and
- (b) is not required to prepare group accounts for that year.

(3) This section has effect subject to—

- section 475(2) and (3) (requirements as to statements to be contained in balance sheet), and
- section 481 (LLPs excluded from dormant LLPs exemption).

LLPs excluded from dormant LLPs exemption

481. An LLP is not entitled to the exemption conferred by section 480 (dormant LLPs) if it was at any time within the financial year in question an LLP that—

[^{F22}(za) is a traded LLP as defined in section 474(1),]

- (a) is an authorised insurance company, a banking LLP, an e-money issuer, a MiFID investment firm or a UCITS management company, or
- (b) carries on insurance market activity.”

Textual Amendments

F22 Words in reg. 35 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), **23(2)**

Marginal Citations

M2 Section 481 was amended by regulation 3(6) of [S.I. 2007/2932](#).

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 10.