STATUTORY INSTRUMENTS

2008 No. 1911

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

PART 2

LLPs QUALIFYING AS SMALL

LLPs subject to the small LLPs regime

5. Sections 381 to 384(**1**) apply to LLPs, modified so that they read as follows—

"**LLPs subject to the small LLPs regime**

381. The small LLPs regime applies to an LLP for a financial year in relation to which the LLP—

   (a) qualifies as small (see sections 382 and 383), and

   (b) is not excluded from the regime (see section 384).

LLPs qualifying as small: general

382.—(1) An LLP qualifies as small in relation to its first financial year if the qualifying conditions are met in that year.

   (2) An LLP qualifies as small in relation to a subsequent financial year—

   (a) if the qualifying conditions are met in that year and the preceding financial year;

   (b) if the qualifying conditions are met in that year and the LLP qualified as small in relation to the preceding financial year;

   (c) if the qualifying conditions were met in the preceding financial year and the LLP qualified as small in relation to that year.

   (3) 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 £6.5 million
2.	Balance sheet total	Not more than £3.26 million
3.	Number of employees	Not more than 50

   (4) For a period that is an LLP's financial year but not in fact a year the maximum figures for turnover must be proportionately adjusted.

(**1**) Section 381 was amended by regulation 6(1) of S.I. 2008/393, section 382(3) by regulation 3(1) of S.I. 2008/ 393, section 383(4) by regulation 3(2) of S.I. 2008/393, and section 384 by regulation 3(2) of S.I. 2007/2932.

(5) The balance sheet total means the aggregate of the amounts shown as assets in the LLP's balance sheet.

(6) 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.

(7) This section is subject to section 383 (LLPs qualifying as small: parent LLPs).

LLPs qualifying as small: parent LLPs

383.—(1) A parent LLP qualifies as a small LLP in relation to a financial year only if the group headed by it qualifies as a small group.

(2) A group qualifies as small in relation to the parent LLP's first financial year if the qualifying conditions are met in that year.

(3) A group qualifies as small in relation to a subsequent financial year of the parent LLP—

    (a) if the qualifying conditions are met in that year and the preceding financial year;

    (b) if the qualifying conditions are met in that year and the group qualified as small in relation to the preceding financial year;

    (c) if the qualifying conditions were met in the preceding financial year and the group qualified as small in relation to that year.

(4) The qualifying conditions are met by a group in a year in which it satisfies two or more of the following requirements—

1.	Aggregate turnover	Not more than £6.5 million net (or £7.8 million gross)
2.	Aggregate balance sheet total	Not more than £3.26 million net (or £3.9 million gross)
3.	Aggregate number of employees	Not more than 50

(5) The aggregate figures are ascertained by aggregating the relevant figures determined in accordance with section 382 for each member of the group.

(6) In relation to the aggregate figures for turnover and balance sheet total—

"net" means after any set-offs and other adjustments made to eliminate group transactions—

    (a) in the case of non-IAS accounts in accordance with Part 1 of Schedule 4 to the Small Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1912) or Schedule 3 to the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (S.I. 2008/1913),

    (b) in the case of IAS accounts, in accordance with international accounting standards; and

"gross" means without those set-offs and other adjustments.

An LLP may satisfy any relevant requirement on the basis of either the net or the gross figure.

(7) The figures for each subsidiary undertaking shall be those included in its individual accounts for the relevant financial year, that is—

(a) if its financial year ends with that of the parent LLP, that financial year, and

(b) if not, its financial year ending last before the end of the financial year of the parent LLP.

If those figures cannot be obtained without disproportionate expense or undue delay, the latest available figures shall be taken.

LLPs excluded from the small LLPs regime

384.—(1) The small LLPs regime does not apply to an LLP that is, or was at any time within the financial year to which the accounts relate—

(a) an LLP whose securities are admitted to trading on a regulated market in an EEA State,

(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, or

(ii) carries on insurance market activity, or

(c) a member of an ineligible group.

(2) A group is ineligible if any of its members is—

(a) a public company,

(b) a body corporate (other than a company) whose shares are admitted to trading on a regulated market in an EEA State,

(c) a person (other than a small company or small LLP) who has permission under Part 4 of the Financial Services and Markets Act 2000 (c.8) to carry on a regulated activity,

(d) a small company or small LLP that is an authorised insurance company, a banking company or banking LLP, an e-money issuer, a MiFID investment firm or a UCITS management company, or

(e) a person who carries on insurance market activity.

(3) A company or LLP is a small company or small LLP for the purposes of subsection (2) if it qualified as small in relation to its last financial year ending on or before the end of the financial year to which the accounts relate.”