
STATUTORY INSTRUMENTS

2008 No. 1911

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

PART 5

ANNUAL ACCOUNTS

Annual accounts to give true and fair view

8. Section 393 applies to LLPs, modified so that it reads as follows—

“Accounts to give true and fair view

393.—(1) The members of an LLP must not approve accounts for the purposes of this Chapter unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss—

- (a) in the case of the LLP's individual accounts, of the LLP;
- (b) in the case of the LLP's group accounts, of the undertakings included in the consolidation as a whole, so far as concerns members of the LLP.

[^{F1}(1A) Subsection (1B) applies to the members of an LLP which qualifies as a micro-entity in relation to a financial year (see sections 384A and 384B) in their consideration of whether the non-IAS individual accounts of the LLP for that year give a true and fair view as required by subsection (1)(a).

(1B) Where the accounts contain an item of information additional to the micro-entity minimum accounting items, the members must have regard to any provision of an accounting standard which relates to that item.]

(2) The auditor of an LLP in carrying out his functions under this Act in relation to the LLP's annual accounts must have regard to the members' duty under subsection (1).”

Textual Amendments

- F1** Words in reg. 8 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), 7(2)

Individual accounts

9. Sections 394 to 397 ^{M1} apply to LLPs, modified so that they read as follows—

“394 Duty to prepare individual accounts

394. The members of every LLP must prepare accounts for the LLP for each of its financial years [^{F2}unless the LLP is exempt from that requirement under section 394A]. Those accounts are referred to as the LLP's “individual accounts”.

[^{F3}Individual accounts: exemption for dormant subsidiaries

(1) An LLP is exempt from the requirement to prepare individual accounts in a financial year if—

- (a) it is itself a subsidiary undertaking,
- (b) it has been dormant throughout the whole of that year, and
- (c) its parent undertaking is established under the law of [^{F4}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 394C 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—
 - [^{F5}(i) if the undertaking is a company, the requirements of this Part 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) [^{F6}UK-adopted international accounting standards],
- (d) the parent undertaking must disclose in the notes to the consolidated accounts that the LLP is exempt from the requirement to prepare individual accounts by virtue of this section,
- (e) the designated members of the LLP must deliver to the registrar, within the period for filing the LLP's account and auditor's report for that year—
 - (i) a written notice of the agreement referred to in subsection (2)(a),
 - (ii) the statement referred to in section 394C(1),
 - (iii) a copy of the consolidated accounts referred to in subsection (2)(c),
 - (iv) a copy of the auditor's report on those accounts, and
 - (v) a copy of the consolidated annual report drawn up by the parent undertaking.

LLPs excluded from the dormant subsidiaries exemption

394B. An LLP is not entitled to the exemption conferred by section 394A (dormant subsidiaries) if it was at any time within the financial year in question—

[a traded LLP,]

^{F7}(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, or
 - (ii) carries on insurance market activity, 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).

Dormant subsidiaries exemption: parent undertaking declaration of guarantee

(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,
- [^{F8}(b) the registered number of the parent undertaking (if any),]
- ^{F9}(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.]

395 Individual accounts: applicable accounting framework

(1) An LLP's individual accounts may be prepared—

- (a) in accordance with section 396 (“non-IAS individual accounts”), or
- (b) in accordance with [^{F10}UK-adopted international accounting standards] (“IAS individual accounts”).

This is subject to the following provisions of this section and to section 407 (consistency of financial reporting within group).

(2) After the first financial year in which the members of an LLP prepare IAS individual accounts (“the first IAS year”), all subsequent individual accounts of the LLP must be prepared in accordance with [^{F10}UK-adopted international accounting standards] unless there is a relevant change of circumstance. [^{F11}This is subject to subsection (3A).]

(3) There is a relevant change of circumstance if, at any time during or after the first IAS year—

- (a) the LLP becomes a subsidiary undertaking of another undertaking that does not prepare IAS individual accounts,
- (b) the LLP ceases to be a subsidiary undertaking,
- (c) the LLP ceases to be an LLP with securities admitted to trading on a [^{F12}UK regulated market], or
- (d) a parent undertaking of the LLP ceases to be an undertaking with securities admitted to trading on a [^{F13}UK regulated market].

[^{F14}(3A) After a financial year in which the members of an LLP prepare IAS individual accounts, the members may change to preparing non-IAS individual accounts for a reason other than a relevant change of circumstance provided they have not changed to non-IAS individual accounts in the period of five years preceding the first day of that financial year.

(3B) In calculating the five year period for the purpose of subsection (3A), no account should be taken of a change due to a relevant change of circumstance.]

(4) If, having changed to preparing non-IAS individual accounts^{F15}..., the members again prepare IAS individual accounts for the LLP, subsections (2) and (3) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.

396 Non-IAS individual accounts

[^{F16}(A1) Non-IAS individual accounts must state—

- (a) the part of the United Kingdom in which the LLP is registered,
- (b) the LLP's registered number,
- (c) the address of the LLP's registered office, and
- (d) where appropriate, the fact that the LLP is being wound up.]

(1) Non-IAS individual accounts must comprise—

- (a) a balance sheet as at the last day of the financial year, and
- (b) a profit and loss account.

(2) The accounts must—

- (a) in the case of the balance sheet, give a true and fair view of the state of affairs of the LLP as at the end of the financial year, and
- (b) in the case of the profit and loss account, give a true and fair view of the profit or loss of the LLP for the financial year.

[^{F17}(2A) In the case of the individual accounts of an LLP which qualifies as a micro-entity in relation to the financial year (see sections 384A and 384B), the micro-entity minimum accounting items included in the LLP's accounts for the year are presumed to give the true and fair view required by subsection (2).]

(3) The accounts must comply with the provisions of—

- (a) regulation 3 of the Small Limited Liability Partnerships (Accounts) Regulations 2008 (non-IAS individual accounts of LLP subject to the small LLPs regime) (S.I. 2008/1912), or
- (b) regulations 3 and 4 of the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (non-IAS individual accounts of large and medium-sized LLPs) (S.I. 2008/1913),

as to the form and content of the balance sheet and profit and loss account, and additional information to be provided by way of notes to the accounts..

(4) If compliance with the regulations specified in subsection (3), and any other provision made by or under this Act as to the matters to be included in an LLP's individual accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.

(5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the members must depart from that provision to the extent necessary to give a true and fair view. Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.

[^{F18}(6) Subsections (4) and (5) do not apply in relation to the micro-entity minimum accounting items included in the individual accounts of an LLP for a financial year in relation to which the LLP qualifies as a micro-entity.]

[^{F19}**IAS individual accounts**

- (1) IAS individual accounts must state—
- (a) the part of the United Kingdom in which the LLP is registered,
 - (b) the LLP’s registered number,
 - (c) the address of the LLP’s registered office, and
 - (d) where appropriate, the fact that the LLP is being wound up.
- (2) The notes to the accounts must state that the accounts have been prepared in accordance with [^{F20}“UK-adopted international accounting standards”.]

Textual Amendments

- F2** Words in reg. 9 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(5)(a)**
- F3** Words in reg. 9 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(5)(b)**
- F4** Words in reg. 9 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 15(a)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F5** Words in reg. 9 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 15(a)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F6** Words in reg. 9 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(3)(a)** (with reg. 1(3)-(8), Sch. 1 para. 65); 2020 c. 1, **Sch. 5 para. 1(1)**
- F7** Words in reg. 9 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), **8(3)**
- F8** Words in reg. 9 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 15(b)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F9** Words in reg. 9 omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 15(b)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F10** Words in reg. 9 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(3)(b)** (with reg. 1(3)-(8), Sch. 1 para. 65); 2020 c. 1, **Sch. 5 para. 1(1)**

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 5. (See end of Document for details)

- F11** Words in reg. 9 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(8)(a)**
- F12** Words in reg. 9 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 15(c)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F13** Words in reg. 9 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 15(c)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F14** Words in reg. 9 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(8)(b)**
- F15** Words in reg. 9 omitted (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(8)(c)**
- F16** Words in reg. 9 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), **8(4)(a)**
- F17** Words in reg. 9 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), **8(4)(b)**
- F18** Words in reg. 9 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), **8(4)(c)**
- F19** Words in reg. 9 substituted (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), **8(5)**
- F20** Words in reg. 9 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(3)(c)** (with reg. 1(3)-(8), Sch. 1 para. 65); 2020 c. 1, **Sch. 5 para. 1(1)**

Marginal Citations

- M1** Section 395 was amended by regulation 9 of S.I. 2008/393.

Group accounts

10. Sections 398 to 408 ^{M2} apply to LLPs, modified so that they read as follows—

“398 Option to prepare group accounts

398. ^{F21}

399 Duty to prepare group accounts

^{F22}(1)

(2) If at the end of a financial year [^{F23}an LLP] is a parent LLP the members, as well as preparing individual accounts for the year, must prepare group accounts for the year unless the LLP is exempt from that requirement.

- [^{F24}(2A) An LLP is exempt from the requirement to prepare group accounts if—
- (a) at the end of the financial year, the LLP is subject to the small LLPs regime, and
 - (b) is not a member of a group which, at any time during the financial year, has an undertaking falling within subsection (2B) as a member.
- (2B) An undertaking falls within this subsection if—
- (a) it is established under the law of [^{F25}any part of the United Kingdom],
 - (b) it has to prepare accounts in accordance with [^{F26}the requirements of this Part of this Act], and
- [^{F27}(c) it—
- (i) is an undertaking whose transferable securities are admitted to trading on a UK regulated market,
 - (ii) is a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation, or
 - (iii) would be an insurance undertaking within the meaning given by Article 2(1) of Council Directive 91/674/EEC of the European Parliament and of the Council on the annual accounts of insurance undertakings were the United Kingdom a member State.]]
- (3) There are exemptions under—
- (a) section 400 (LLP included in [^{F28}UK] accounts of larger group),
 - (b) section 401 (LLP included in [^{F29}non-UK] accounts of larger group), and
 - (c) section 402 (LLP none of whose subsidiary undertakings need be included in the consolidation).
- (4) An LLP ^{F30}... which is exempt from the requirement to prepare group accounts, may do so.

400 Exemption for LLP included in [^{F31}UK] group accounts of larger group

(1) An LLP is exempt from the requirement to prepare group accounts if it is itself a subsidiary undertaking and its immediate parent undertaking is established under the law of [^{F32}any part of the United Kingdom], in the following cases—

- (a) where the LLP is a wholly-owned subsidiary of that parent undertaking;
- [^{F33}(b) where that parent undertaking holds 90% or more of the shares in the LLP and the remaining members have approved the exemption;
- (c) where that parent undertaking holds more than 50% (but less than 90%) of the shares in the LLP and notice requesting the preparation of group accounts has not been served on the LLP by the members holding in aggregate at least 5% of the shares in the LLP.

Such notice must be served at least six months before the end of the financial year to which it relates.]

Such notice must be served not later than six months after the end of the financial year before that to which it relates.

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

- (a) the LLP must be included in consolidated accounts for a larger group drawn up to the same date, or to an earlier date in the same financial year, by a parent undertaking established under the law of [^{F34}any part of the United Kingdom];
 - (b) those accounts must be drawn up and audited, and that parent undertaking's annual report must be drawn up ^{F35}... —
 - ^{F36}(i) if the undertaking is a company, in accordance with the requirements of this Part 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) in accordance with [^{F37}UK-adopted international accounting standards] ;
 - (c) the LLP must disclose in [^{F38}the notes to] its individual accounts that it is exempt from the obligation to prepare and deliver group accounts;
 - (d) the LLP must state in its individual accounts the name of the parent undertaking that draws up the group accounts referred to above and—
 - ^{F39}(i) the address of the undertaking's registered office ^{F40}... , or]
 - (ii) if it is unincorporated, the address of its principal place of business;
 - (e) the LLP must deliver to the registrar, within the period for filing its accounts and auditor's report for the financial year in question, copies of those group accounts, together with the auditor's report on them;
 - (f) any requirement of Part 35 of this Act as to the delivery to the registrar of a certified translation into English must be met in relation to any document comprised in the accounts and reports delivered in accordance with paragraph (e).
- (3) For the purposes of subsection (1)(b) [^{F41}and (c)] shares held by a wholly-owned subsidiary of the parent undertaking, or held on behalf of the parent undertaking or a wholly-owned subsidiary, shall be attributed to the parent undertaking.
- (4) The exemption does not apply to an LLP [^{F42}which is a traded LLP].
- ^{F43}(5)

401 Exemption for LLP included in [^{F44}non-UK] group accounts of larger group

- (1) An LLP is exempt from the requirement to prepare group accounts if it is itself a subsidiary undertaking and its parent undertaking is not established under the law of [^{F45}any part of the United Kingdom], in the following cases—
- (a) where the LLP is a wholly-owned subsidiary of that parent undertaking;
 - ^{F46}(b) where that parent undertaking holds 90% or more of the shares in the LLP and the remaining members have approved the exemption;
 - (c) where that parent undertaking holds more than 50% (but less than 90%) of the shares in the LLP and notice requesting the preparation of group accounts has not been served on the LLP by the members holding in aggregate at least 5% of the shares in the LLP.

Such notice must be served not later than six months after the end of the financial year before that to which it relates.]

- (2) Exemption is conditional upon compliance with all of the following conditions—
- (a) the LLP and all of its subsidiary undertakings must be included in consolidated accounts for a larger group drawn up to the same date, or to an earlier date in the same financial year, by a parent undertaking;

- [^{F47}(b) those accounts must be drawn up—
 - ^{F48}(i)
 - (ii) in a manner equivalent to consolidated accounts [^{F49}drawn up in accordance with the requirements of this Part of this Act],
 - (iii) in accordance with [^{F50}UK-adopted international accounting standards], or
 - (iv) in accordance with accounting standards which are equivalent to such international accounting standards, as determined pursuant to [Commission Regulation \(EC\) No. 1569/2007](#) of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives [2003/71/EC](#) and [2004/109/EC](#) of the European Parliament and of the Council;]
 - (c) the group accounts must be audited by one or more persons authorised to audit accounts under the law under which the parent undertaking which draws them up is established;
 - (d) the LLP must disclose in its individual accounts that it is exempt from the obligation to prepare and deliver group accounts;
 - (e) the LLP must state in its individual accounts the name of the parent undertaking which draws up the group accounts referred to above and—
 - [^{F51}(i) the address of the undertaking’s registered office (whether in or outside the United Kingdom), or]
 - (ii) if it is unincorporated, the address of its principal place of business;
 - (f) the LLP must deliver to the registrar, within the period for filing its accounts and auditor's report for the financial year in question, copies of the group accounts, together with the auditor's report on them;
 - (g) any requirement of Part 35 of this Act as to the delivery to the registrar of a certified translation into English must be met in relation to any document comprised in the accounts and reports delivered in accordance with paragraph (f).
- (3) For the purposes of subsection (1)(b) [^{F52}and (c)] shares held by a wholly-owned subsidiary of the parent undertaking, or held on behalf of the parent undertaking or a wholly-owned subsidiary, shall be attributed to the parent undertaking.
- (4) The exemption does not apply to an LLP [^{F53}which is a traded LLP].
- ^{F54}(5)

402 Exemption if no subsidiary undertakings need be included in the consolidation

402. A parent LLP is exempt from the requirement to prepare group accounts if under section 405 all of its subsidiary undertakings could be excluded from consolidation in non- IAS group accounts.

403 Group accounts: applicable accounting framework

- (1) The group accounts of a parent LLP may be prepared—
 - (a) in accordance with section 404 (“ non-IAS group accounts”), or
 - (b) in accordance with [^{F55}UK-adopted international accounting standards] (“IAS group accounts”).

This is subject to the following provisions of this section.

(2) After the first financial year in which the members of a parent LLP prepare IAS group accounts (“the first IAS year”), all subsequent group accounts of the LLP must be prepared in accordance with [F55UK-adopted international accounting standards] unless there is a relevant change of circumstance. [F56This is subject to subsection (3A).]

(3) There is a relevant change of circumstance if, at any time during or after the first IAS year—

- (a) the LLP becomes a subsidiary undertaking of another undertaking that does not prepare IAS group accounts,
- (b) the LLP ceases to be an LLP with securities admitted to trading on a [F57UK regulated market], or
- (c) a parent undertaking of the LLP ceases to be an undertaking with securities admitted to trading on a [F58UK regulated market].

[F59(3A) After a financial year in which the members of a parent LLP prepare IAS group accounts, the members may change to preparing non-IAS group accounts for a reason other than a relevant change of circumstance provided they have not changed to non-IAS group accounts in the period of five years preceding the first day of that financial year.

(3B) In calculating the five year period for the purpose of subsection (3A), no account should be taken of a change due to a relevant change of circumstance.]

(4) If, having changed to preparing non-IAS group accounts F60... , the members again prepare IAS group accounts for the LLP, subsections (2) and (3) apply again as if the first financial year for which such accounts are again prepared were the first IAS year.

404 Non-IAS group accounts

[F61(A1) Non-IAS group accounts must state, in respect of the parent LLP—

- (a) the part of the United Kingdom in which the LLP is registered,
- (b) the LLP’s registered number,
- (c) the address of the LLP’s registered office, and
- (d) where appropriate, the fact that the LLP is being wound up.]

(1) Non-IAS group accounts must comprise—

- (a) a consolidated balance sheet dealing with the state of affairs of the parent LLP and its subsidiary undertakings, and
- (b) a consolidated profit and loss account dealing with the profit or loss of the parent LLP and its subsidiary undertakings.

(2) The accounts must give a true and fair view of the state of affairs as at the end of the financial year, and the profit or loss for the financial year, of the undertakings included in the consolidation as a whole, so far as concerns members of the LLP.

(3) The accounts must comply with the provisions of—

- (a) regulation 6 of the Small Limited Liability Partnerships (Accounts) Regulations 2008 (non-IAS group accounts of small parent LLP opting to prepare group accounts) (S.I. 2008/1912), or
- (b) regulation 6 of the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (non-IAS group accounts of large and medium-sized parent LLPs) (S.I. 2008/1913),

as to the form and content of the consolidated balance sheet and consolidated profit and loss account, and additional information to be provided by way of notes to the accounts..

(4) If compliance with the regulations specified in subsection (3), and any other provision made by or under this Act as to the matters to be included in an LLP's group accounts or in notes to those accounts, would not be sufficient to give a true and fair view, the necessary additional information must be given in the accounts or in a note to them.

(5) If in special circumstances compliance with any of those provisions is inconsistent with the requirement to give a true and fair view, the members must depart from that provision to the extent necessary to give a true and fair view. Particulars of any such departure, the reasons for it and its effect must be given in a note to the accounts.

405 Non-IAS group accounts: subsidiary undertakings included in the consolidation

(1) Where a parent LLP prepares non-IAS group accounts, all the subsidiary undertakings of the LLP must be included in the consolidation, subject to the following exceptions.

(2) A subsidiary undertaking may be excluded from consolidation if its inclusion is not material for the purpose of giving a true and fair view (but two or more undertakings may be excluded only if they are not material taken together).

(3) A subsidiary undertaking may be excluded from consolidation where—

- (a) severe long-term restrictions substantially hinder the exercise of the rights of the parent LLP over the assets or management of that undertaking, or
- (b) [^{F62}extremely rare circumstances mean that] the information necessary for the preparation of group accounts cannot be obtained without disproportionate expense or undue delay, or

(c) the interest of the parent LLP is held exclusively with a view to subsequent resale.

(4) The reference in subsection (3)(a) to the rights of the parent LLP and the reference in subsection (3)(c) to the interest of the parent LLP are, respectively, to rights and interests held by or attributed to the LLP for the purposes of the definition of “parent undertaking” (see section 1162) in the absence of which it would not be the parent LLP.

IAS group accounts

(1) IAS group accounts must state—

- (a) the part of the United Kingdom in which the LLP is registered,
- (b) the LLP's registered number,
- (c) the address of the LLP's registered office, and
- (d) where appropriate, the fact that the LLP is being wound up.

(2) The notes to the accounts must state that the accounts have been prepared in accordance with [^{F64}UK-adopted international accounting standards].

407 Consistency of financial reporting within group

(1) The members of a parent LLP must secure that the individual accounts of—

- (a) the parent LLP, and
- (b) each of its subsidiary undertakings,

are all prepared using the same financial reporting framework, except to the extent that in their opinion there are good reasons for not doing so.

(2) Subsection (1) does not apply if the members do not prepare group accounts for the parent LLP.

(3) Subsection (1) only applies to accounts of subsidiary undertakings that are required to be prepared under this Part.

(4) Subsection (1)(a) does not apply where the members of a parent LLP prepare IAS group accounts and IAS individual accounts.

408 Individual profit and loss account where group accounts prepared

(1) This section applies where—

- (a) an LLP prepares group accounts in accordance with this Act, and
 [F65(b) the LLP's individual balance sheet shows the LLP's profit and loss for the financial year determined in accordance with this Act.]

F66(2)

(3) The LLP's individual profit and loss account must be approved in accordance with section 414(1) (approval by members) but may be omitted from the LLP's annual accounts for the purposes of the other provisions of this Act.

(4) The exemption conferred by this section is conditional upon its being disclosed in the LLP's annual accounts that the exemption applies.”

Textual Amendments

- F21** Words in reg. 10 omitted (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by virtue of [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 3(a)** (with reg. 2(6)(7))
- F22** Words in reg. 10 omitted (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by virtue of [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 3(b)(i)** (with reg. 2(6)(7))
- F23** Words in reg. 10 substituted (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 3(b)(ii)** (with reg. 2(6)(7))
- F24** Words in reg. 10 inserted (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 3(b)(iii)** (with reg. 2(6)(7))
- F25** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 16(a)(i)(aa)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F26** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 16(a)(i)(bb)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F27** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 16(a)(i)(cc)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F28** Word in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/145\)](#), regs. 1(2)(b), 2, **Sch. 3 para. 16(a)(ii)(aa)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F29** Word in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by [The Accounts and Reports \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I.](#)

- 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(a)(ii)(bb)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F30** Words in reg. 10 omitted (with effect in accordance with reg. 2(5)(b) of the amending S.I.) by virtue of The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 3(b)(iv)** (with reg. 2(6)(7))
- F31** Word in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(b)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F32** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(b)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F33** Words in reg. 10 substituted (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), **9(2)(a)**
- F34** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(b)(iii)(aa)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F35** Words in reg. 10 omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(b)(iii)(bb)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F36** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(b)(iii)(cc)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F37** Words in reg. 10 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(4)(a)** (with reg. 1(3)-(8), Sch. 1 para. 65); 2020 c. 1, **Sch. 5 para. 1(1)**
- F38** Words in reg. 10 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), **9(2)(c)**
- F39** Words in reg. 10 substituted (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), **9(2)(d)**
- F40** Words in reg. 10 omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(b)(iii)(dd)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F41** Words in reg. 10 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), **9(2)(e)**
- F42** Words in reg. 10 substituted (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), **9(2)(f)**
- F43** Words in reg. 10 omitted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by virtue of The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **9(2)(g)**
- F44** Word in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I.

- 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(c)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F45** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(c)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F46** Words in reg. 10 substituted (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), **9(3)(a)**
- F47** Words in reg. 10 substituted (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), **9(3)(b)**
- F48** Words in reg. 10 omitted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by virtue of The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(c)(iii)(aa)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F49** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(c)(iii)(bb)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F50** Words in reg. 10 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(4)(b)** (with reg. 1(3)-(8), Sch. 1 para. 65); 2020 c. 1, **Sch. 5 para. 1(1)**
- F51** Words in reg. 10 substituted (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), **9(3)(c)**
- F52** Words in reg. 10 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), **9(3)(d)**
- F53** Words in reg. 10 substituted (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), **9(3)(e)**
- F54** Words in reg. 10 omitted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by virtue of The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **9(3)(f)**
- F55** Words in reg. 10 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(4)(c)** (with reg. 1(3)-(8), Sch. 1 para. 65); 2020 c. 1, **Sch. 5 para. 1(1)**
- F56** Words in reg. 10 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(9)(a)**
- F57** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(d)(i)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)
- F58** Words in reg. 10 substituted (31.12.2020 with effect in relation to financial years beginning on or after IP completion day) by The Accounts and Reports (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/145), regs. 1(2)(b), 2, **Sch. 3 para. 16(d)(ii)** (with reg. 7(2)) (as amended by S.I. 2020/523, regs. 1(2), 10, 11); 2020 c. 1, Sch. 5 para. 1(1)

- F59** Words in reg. 10 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(9)(b)**
- F60** Words in reg. 10 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(9)(c)**
- F61** Words in reg. 10 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), **9(4)**
- F62** Words in reg. 10 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), **9(5)**
- F63** Words in reg. 10 substituted (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), **9(6)**
- F64** Words in reg. 10 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(4)(d)** (with reg. 1(3)(4), Sch. 1 para. 65); 2020 c. 1, **Sch. 5 para. 1(1)**
- F65** Words in reg. 10 substituted (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), **9(7)(a)**
- F66** Words in reg. 10 omitted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by virtue of The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016 (S.I. 2016/575), regs. 2(1), **9(7)(b)**

Marginal Citations

- M2** Section 408 was amended by regulation 10 of S.I. 2008/393.

Information to be given in notes to accounts

11. [^{F67}Sections 409, 410A and 411 apply to LLPs], modified so that they read as follows—

“Information about related undertakings

409.—(1) The notes to the LLP's annual accounts must contain the information about related undertakings required by—

- (a) regulations 4 and 7 of the Small Limited Liability Partnerships (Accounts) Regulations 2008 (information about related undertakings: non-IAS or IAS individual or group accounts) (S.I. 2008/1912), or
- (b) regulation 5 of the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (information about related undertakings: non-IAS or IAS individual or group accounts) (S.I. 2008/1913).

(2) That information need not be disclosed with respect to an undertaking that—

- (a) is established under the law of a country outside the United Kingdom, or
- (b) carries on business outside the United Kingdom,

if the following conditions are met.

(4) The conditions are—

- (a) that in the opinion of the members of the LLP the disclosure would be seriously prejudicial to the business of—

- (i) that undertaking,
 - (ii) the LLP,
 - (iii) any of the LLP's subsidiary undertakings, or
 - (iv) any other undertaking which is included in the consolidation;
 - (b) that the Secretary of State agrees that the information need not be disclosed.
- (5) Where advantage is taken of any such exemption, that fact must be stated in a note to the LLP's annual accounts.

Information about related undertakings: alternative compliance

^{F68}**410.**

Information about off-balance sheet arrangements

410A.—^{F69}(1) If in any financial year—

- (a) an LLP is or has been party to arrangements that are not reflected in its balance sheet, and
- (b) at the balance sheet date the risks or benefits arising from those arrangements are material,

the information required by this section must be given in the notes to the LLP's annual accounts.]

(2) The information required is—

- (a) the nature and business purpose of the arrangements, and
- (b) the financial impact of the arrangements on the LLP.

(3) The information need only be given to the extent necessary for enabling the financial position of the LLP to be assessed.

^{F70}(4) If the LLP is subject to the small LLPs regime in relation to the financial year (see section 381), it need not comply with subsection (2)(b).]

(5) This section applies in relation to group accounts as if the undertakings included in the consolidation were a single LLP.

Information about employee numbers and costs

411.—^{F71}(1) The notes to an LLP's annual accounts must disclose the average number of persons employed by the LLP in the financial year.

(1A) In the case of an LLP not subject to the small LLPs regime, the notes to the LLP's accounts must also disclose the average number of persons within each category of persons so employed.]

(2) The categories by reference to which the number required to be disclosed by ^{F72}subsection (1A)] is to be determined must be such as the members may select having regard to the manner in which the LLP's activities are organised.

(3) The average number required by ^{F73}subsection (1) or (1A)] is determined by dividing the relevant annual number by the number of months in the financial year.

(4) The relevant annual number is determined by ascertaining for each month in the financial year—

- (a) for the purposes of [^{F74}subsection (1)], the number of persons employed under contracts of service by the LLP in that month (whether throughout the month or not);
- (b) for the purposes of [^{F75}subsection (1A)], the number of persons in the category in question of persons so employed;

and adding together all the monthly numbers.

[^{F76}(5) Except in the case of an LLP subject to the small LLPs regime, the notes to the LLP's annual accounts or the profit and loss account must disclose, with reference to all persons employed by the LLP during the financial year, the total staff costs of the LLP relating to the financial year broken down between—

- (a) wages and salaries paid or payable in respect of that year to those persons,
- (b) social security costs incurred by the LLP on their behalf, and
- (c) other pension costs so incurred.]

(6) In subsection (5)—

“pension costs” includes any costs incurred by the LLP in respect of—

- (a) any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the LLP,
- (b) any sums set aside for the future payment of pensions directly by the LLP to current or former employees, and
- (c) any pensions paid directly to such persons without having first been set aside;

“social security costs” means any contributions by the LLP to any state social security or pension scheme, fund or arrangement.

(7) This section applies in relation to group accounts as if the undertakings included in the consolidation were a single LLP.”

Textual Amendments

- F67** Words in reg. 11 substituted (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), **10(2)**
- F68** Words in reg. 11 omitted (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by virtue of [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **10(3)**
- F69** Words in reg. 11 substituted (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), **10(4)(a)**
- F70** Words in reg. 11 substituted (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), **10(4)(b)**
- F71** Words in reg. 11 substituted (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), **10(5)(a)**
- F72** Words in reg. 11 substituted (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), **10(5)(b)**
- F73** Words in reg. 11 substituted (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), **10(5)(c)**

- F74** Words in reg. 11 substituted (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), **10(5)(d)(i)**
- F75** Words in reg. 11 substituted (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), **10(5)(d)(ii)**
- F76** Words in reg. 11 substituted (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), **10(5)(e)**

Approval and signing of accounts

12. Section 414 applies to LLPs, modified so that it reads as follows—

“Approval and signing of accounts

414.—(1) An LLP's annual accounts must be approved by the members, and signed on behalf of all the members by a designated member.

(2) The signature must be on the LLP's balance sheet.

[^{F77}(3) If the accounts are prepared in accordance with the small LLPs regime, the balance sheet must contain, in a prominent position above the signature—

- (a) in the case of individual accounts prepared in accordance with the micro-entity provisions, a statement to that effect,
- (b) in the case of accounts not prepared as mentioned in paragraph (a), a statement to the effect that the accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.]

(4) If annual accounts are approved that do not comply with the requirements of this Act, every member of the LLP who—

- (a) knew that they did not comply, or was reckless as to whether they complied, and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the accounts from being approved,

commits an offence.

(5) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.”

Textual Amendments

- F77** Words in reg. 12 substituted (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), **11(2)**

[^{F78}Strategic report

12A. Sections 414A, 414C and 414D apply to LLPs, modified so that they read as follows—

“Duty to prepare strategic report

- (1) The members of an LLP which is—
 - (a) a traded LLP, or
 - (b) a banking LLP,

must prepare a strategic report for each financial year of the LLP.

- (2) For a financial year in which—
 - (a) the LLP is a parent LLP, and
 - (b) the members of the LLP prepare group accounts,

the strategic report must be a consolidated report (a “group strategic report”) relating to the undertakings included in the consolidation.

(3) A group strategic report may, where appropriate, give greater emphasis to the matters that are significant to the undertakings included in the consolidation, taken as a whole.

(4) In the case of failure to comply with the requirement to prepare a strategic report, an offence is committed by every person who—

- (a) was a member of the LLP immediately before the end of the period for filing accounts and reports for the financial year in question, and
- (b) failed to take all reasonable steps for securing compliance with that requirement.

(5) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

Contents of strategic report

[^{F79}(1) The strategic report of a traded LLP and of a banking LLP—

- (a) must contain a fair review of the LLP’s business and a description of the principal risks and uncertainties facing the LLP; and
- (b) where subsection (1A) applies, must in addition to the information described in paragraph (a), contain climate-related financial disclosures.

(1A) This subsection applies to any traded LLP or banking LLP which, in the relevant year to which the strategic report relates, either—

- (a) has more than 500 employees; or
- (b) is a parent LLP and the aggregate number of employees for a group headed by the LLP is more than 500.

(1B) For the purposes of subsection (1A), the number of employees of an LLP or of a group headed by an LLP means the average number of persons employed by the LLP or the group headed 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 or the group headed 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.]

(2) The review required is a balanced and comprehensive analysis of—

- (a) the development and performance of the LLP’s business during the financial year, and

(b) the position of the LLP’s business at the end of that year, consistent with the size and complexity of the business.

(3) The review must, to the extent necessary for an understanding of the development, performance or position of the LLP’s business, include—

- (a) analysis using financial key performance indicators, and
- (b) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.

(4) In subsection (3), “key performance indicators” means factors by reference to which the development, performance or position of the LLP’s business can be measured effectively.

[
F80(4A) In this section and section 416A, “climate-related financial disclosures” means—

- (a) a description of the LLP’s governance arrangements in relation to assessing and managing climate-related risks and opportunities;
- (b) a description of how the LLP identifies, assesses, and manages climate-related risks and opportunities;
- (c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the LLP’s overall risk management process;
- (d) a description of—
 - (i) the principal climate-related risks and opportunities arising in connection with the LLP’s operations, and
 - (ii) the time periods by reference to which those risks and opportunities are assessed;
- (e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the LLP’s business model and strategy;
- (f) an analysis of the resilience of the LLP’s business model and strategy, taking into consideration different climate-related scenarios;
- (g) a description of the targets used by the LLP to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and
- (h) a description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.

(4B) Where the members of an LLP reasonably believe that, having regard to the nature of the LLP’s business, and the manner in which it is carried on, the whole or a part of a climate-related financial disclosure required by subsection (4A)(e), (f), (g) or (h) is not necessary for an understanding of the LLP’s business, the members may omit the whole or (as the case requires) the relevant part of that climate-related financial disclosure.

(4C) Where the members omit the whole or part of a climate-related financial disclosure in reliance on subsection (4B) the strategic report must provide a clear and reasoned explanation of the members’ reasonable belief mentioned in that subsection.

(4D) The Secretary of State may issue guidance on the climate-related financial disclosures, which are described in subsection (4A), and otherwise in connection with the requirements of this section.]

(5) The report must, where appropriate, include references to, and additional explanations of, amounts included in the LLP’s annual accounts.

(6) In relation to a group strategic report this section has effect as if the references to the LLP were references to the undertakings included in the consolidation.

(7) Nothing in this section requires the disclosure of information about impending developments or matters in the course of negotiation if the disclosure would, in the opinion of the members, be seriously prejudicial to the interests of the LLP.

Approval and signing of strategic report

(1) The strategic report must be approved by the members and signed on behalf of all the members by a designated member.

(2) If a strategic report is approved that does not comply with the requirements of this Act, every member who—

- (a) knew that it did not comply, or was reckless as to whether it complied, and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the report from being approved,

commits an offence.

(3) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.”]

Textual Amendments

F78 Reg. 12A inserted (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 4** (with reg. 2(6)(7))

F79 Words in reg. 12A substituted (6.4.2022) by [The Limited Liability Partnerships \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/46\)](#), regs. 1(2), **2(2)(a)**

F80 Words in reg. 12A inserted (6.4.2022) by [The Limited Liability Partnerships \(Climate-related Financial Disclosure\) Regulations 2022 \(S.I. 2022/46\)](#), regs. 1(2), **2(2)(b)**

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 5.