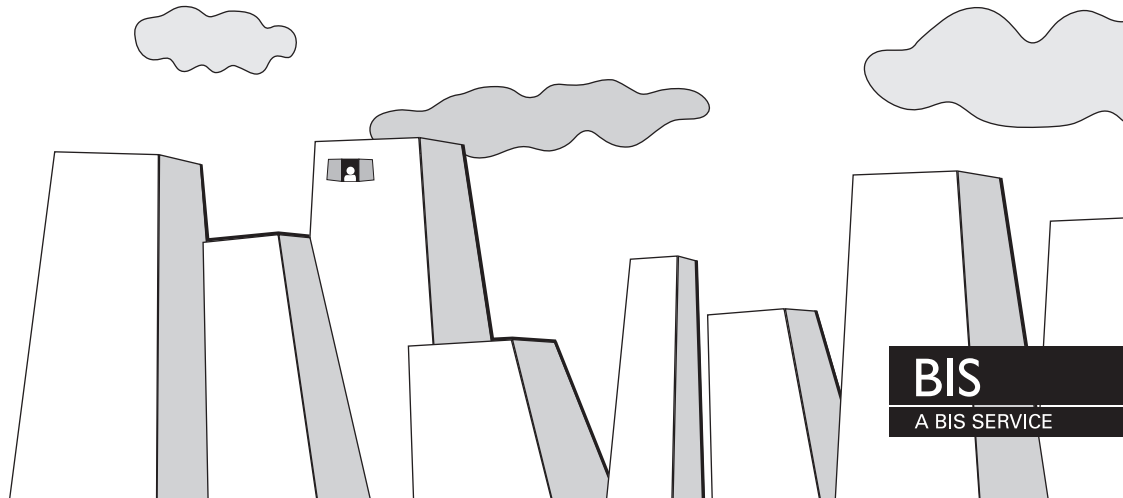




# life of a limited liability partnership

GPLL2 - April 2011



**BIS**

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# BIS

Department for Business  
Innovation & Skills

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## Is this guide for you?

This guide will be relevant to you if:

- you are a member or designated member of a limited liability partnership
- you act as an adviser to a limited liability partnership

## **Overview**

This guide will tell you what information you have to deliver to Companies House for your limited liability partnership (LLP) to remain on the public register once it has been incorporated. If you wish to change the name of an existing LLP, please see our guide 'Limited Liability Partnerships Incorporation and Names'.

This guide applies to all LLPs registered in the United Kingdom (UK) i.e. England, Wales, Scotland and Northern Ireland.

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**This guide answers many frequently asked questions and provides information on completing the most commonly used filings relating to this area. The guide is not drafted with unusual**

**or complex transactions in mind. Specialist professional advice may be needed in those circumstances.**

The main legislation that applies to limited liability partnerships is:

- The Limited Liability Partnerships Act 2000;
- The Companies (Late Filing Penalties) and Limited Liability Partnerships (Filing Periods and Late Filing Penalties) Regulations 2008 – SI 2008/497;
- The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008 – SI 2008/1911;
- The Small Limited Liability Partnerships (Accounts) Regulations 2008 – SI 2008/1912;
- The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 – SI 2008/1913; and
- The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 SI 2009/1804

## Introduction

This guide will not cover every event that will come along during the life of your LLP. However, it will give you a good idea of your responsibilities and explain the filing requirements at Companies House during the life of your LLP. If you fail to file your LLP's annual documents, i.e. annual return and accounts, the registrar may assume that the LLP is no longer carrying on business or in operation and take steps to strike it from the register. If the registrar strikes an LLP off the register, it ceases to exist and its assets become Crown property.

However where an LLP is in operation, the designated members could be prosecuted because they are personally responsible for ensuring that they submit the LLP's annual documents on time. Failing to do so is a criminal offence. In addition, there is an automatic civil penalty for submitting accounts late.

By complying with your annual requirements and keeping your LLP public record up to date with the changes within your LLP you will avoid any action against the LLP or its members and it will give searchers an up to date picture of your LLP.

**Chapters 1 – 3** covers the information you have to deliver to Companies House when particular changes occur within your LLP.

**Chapter 4** covers the requirement to submit an annual return.

**Chapters 5 – 11** cover how you can change your accounting reference date, what type of accounts an LLP may prepare and the filing requirements at Companies House.

**Chapter 12** briefly explains the role of an auditor and outlines the circumstances when LLPs need not appoint an auditor.

**Chapter 13** covers charge and mortgage registration for LLPs registered in England and Wales, or Northern Ireland.

**Chapter 14** covers charge and mortgage registration for LLPs registered in Scotland.

**Chapters 15 – 16** give you some useful information about how to deliver the required documents to Companies House and point out some of the general quality requirements that all documents must meet.

This guide does not contain information on how to change an existing LLP's name due to certain restrictions that are placed on LLP names. Further information on changing the LLP name is in our guide on 'Limited Liability Partnerships Incorporation and Names'.

If, after reading this guide, you are in doubt about your responsibilities, you should consider seeking professional advice from a solicitor or accountant.

## **Chapter 1**

### **Members and designated members**

The difference between a member and a designated member and the responsibilities of the LLP's members is covered in our guide on 'Limited Liability Partnerships Incorporation and Names'.

#### **1. What happens when there is a change in the members?**

The LLP must keep registers that contain details of all its members. They are:

- the register of members; and
- the register of members' residential addresses.

These registers will be kept from the incorporation of your LLP or if your LLP was incorporated prior to 1 October 2009 from that date. Whenever there is a change to a member's details, or the LLP appoints or terminates the appointment of a member, it must update these registers.

The LLP must then submit the appropriate form at Companies House within 14 days of the change. The appropriate forms are:

Appointment of an individual member – LL AP01

Appointment of a corporate member – LL AP02

Change of individual member's details – LL CH01

Change of corporate member's details – LL CH02

Termination of appointment of member – LL TM01

You can notify Companies House of this change online via WebFiling; using a suitable Software Filing package or by delivering paper documents to us by post.

#### **2. What is the difference between the register of members and the register of members' residential addresses?**

The register of members contains for each member who is an individual:

- his or her name and any former name;
- a service address (which may be stated to be "the LLP's registered office");
- the country or state or part of the United Kingdom where he or she is usually resident;

- whether the member is a designated member.

For members that are corporate members or firms, the register of members will include:

- its corporate or firm name;
- its registered or principal office;
- in the case of an EEA company, where it is registered and its registration number; otherwise, the legal form of the company or firm and the law by which it is governed and, if applicable, where registered and its registration number.
- whether the member is a designated member

The register of members' residential addresses contains the usual residential addresses of every member who is an individual. (Provided that a member's service address is not the LLP's registered office, then the entry may be to the effect that the usual residential address is the same as the service address).

The register of members must be kept available for inspection; the information on the register of members' residential addresses must not be revealed. The LLP can only use the information in this register to communicate with the member and to deliver information to Companies House to update the records held there. The LLP can not use this information for any other purpose unless so required by the court.

### **3. What happens to the residential address supplied to Companies House?**

Residential addresses will not appear on the public record as long as you only provide them in the correct part of the appointment or change of details forms. For paper forms this will be on a separate page, for electronic filings this will be shown in additional address fields.

Companies House will only provide residential address information to Credit Reference Agencies and Specified Public Authorities. Further information is in our guide on 'Restricting the disclosure of your address if you are at serious risk'.

### **4. Can I change the status of whether all the members of the LLP are designated or only specified members are designated?**

You may amend the position at any time. If you selected that all members were to be designated on incorporation, or at a later date, but now wish only specified members to be designated you need to notify Companies House of the change on LL DE01.

If you selected that only specified members were to be designated on incorporation, or at a later date, but now wish all the members to be designated you need to notify Companies House of the change on LL DE01. This will need to be accompanied by a change of member's details on LL CH01 or LL CH02 for any member that is not already a designated member. That member will need to signify their consent to being a designated member.

A designated member who ceases to be a member is automatically no longer a designated member.

If, for any reason, the number of designated members falls to one, or none, the law will deem that all members are designated members. However, this does not eliminate your filing requirements at Companies House.

You can notify Companies House of this change online via WebFiling; using a suitable Software Filing package or by delivering paper documents to us by post.

**Proof is the registrar's PROOF (PROtected On-line Filing) Scheme. It provides additional security relating to the delivery of members details and registered office address for documents delivered electronically:**

Limited Liability Partnership members hold an important position in an LLP. They have power to make purchases and enter into credit arrangements on behalf of the LLP. Similarly, the registered office address is important because it is the address to which all official communications will be sent.

Records held at Companies House are sometimes used to check the legitimacy of an LLP and its members before credit or loans are made. Therefore it is important that the records are correct. **LLPs are vulnerable to fraud if the wrong people get themselves on record as LLP members or a bogus registered office address is filed.**

In order to combat fraudsters posing as legitimate members, Companies House offers LLPs a free, fully electronic and secure system for notifying changes of members and changes to the registered office address. If you opt to only notify these electronically, they will be protected by electronic codes and we will not accept notices from your LLP delivered in any other format.

You can opt into the scheme electronically, using the LLP authentication code to gain access to the appropriate web pages of our WebFiling service. Before opting in you must also agree to the terms and conditions of the scheme so that any change of members or change of registered office address are only accepted by Companies House if they are delivered by the secure electronic method and never on a paper form. The terms and conditions are available from our website or by calling 0303 123 4500. This service is voluntary; you may opt-out at any time and Companies House will revert to accepting notices from your LLP delivered electronically or on paper forms.

## Chapter 2

## Registered Office

### 1. How do I change my registered office?

If your LLP wishes to change its registered office address, you must notify Companies House of the new address on LL AD01. **Please note that your new registered office will not take effect until we have entered it onto our database.**

Companies House uses the Post Office address database to verify addresses. To avoid delays please ensure you are using the correct address including full post code on all forms and documents sent for registration.

Please remember that your registered office address must be in the same part of the United Kingdom as where the LLP was incorporated e.g. an LLP registered in England and Wales must have its registered office in England and Wales, not in Scotland or Northern Ireland.

You can notify Companies House of this change online via WebFiling; using a suitable Software Filing package or by delivering paper documents to us by post.

## Chapter 3 LLP Records

### 1. What LLP records do I need to make available for inspection?

An LLP must keep and maintain a register of members. If the LLP issues debentures it must keep a register of debenture holders and if it enters into a charge it must keep a register of charges together with the instrument creating the charge.

All these registers must also be kept available for inspection.

Additionally an LLP must maintain a register of members' residential addresses but this is not available for public inspection. This is covered in Chapter 1 question 2.

### 2. Where can I keep these records?

You may keep all or any of these records at the LLP's registered office. The LLP may choose an alternative location to make these records available for inspection. The LLP can only have one alternative location to the registered office at any given time. That location must be in the same part of the UK as the registered office, e.g. an LLP registered in England and Wales can have an alternative inspection location in England and Wales, but not in Scotland or Northern Ireland. The LLP may choose to keep some records at its registered office and some at its alternative inspection location provided that all the records of a type are kept together.

### 3. What do I need to deliver to Companies House?

If you do not keep all your records at the LLP's registered office, then you need to tell us the address of your alternative inspection location or any change in that address on LL AD02. You also need to tell us which records you hold there, on LL AD03, and when any of the records return to the registered office, on LL AD04.

You can notify Companies House of this change online via WebFiling; using a suitable Software Filing package or by delivering paper documents to us by post.

## Chapter 4 Annual Return

### 1. Which LLPs must send an annual return to Companies House?

Every LLP must deliver an annual return to Companies House within 28 days of its made-up date. An LLP's designated members are responsible for ensuring that:

- they deliver the annual return to Companies House; and
- it gives a true picture of the LLP at the made-up date.

If you do not deliver an annual return the registrar may assume that your LLP is no longer in business or operation and take steps to strike it off the register.

**Remember:** It is a criminal offence not to deliver the annual return within 28 days of the made-up date, for which the LLP and designated members may be prosecuted.

### 2. What is an annual return?

An annual return is a snapshot of information at the made-up date. It is separate from the LLP annual accounts. An annual return must contain the following information:

- the name of the LLP;
- its registered number;
- the date to which the annual return is made up;
- its registered office address;
- the address where any LLP records are kept if not at the registered office, and the records that are kept there; and

- details of all the LLP's members (corporate or individual), and whether they are designated members.

### **3. What is the made-up date?**

This is the date at which all the information in an annual return must be correct. The made-up date is usually the anniversary of:

- the incorporation of the LLP; or
- the made-up date of the previous annual return registered at Companies House.

### **4. Can I change the made up date of my annual return?**

Yes you can change it to a date earlier than the expected made up date but not a later date. If you choose an earlier made up date the return must be received within 28 days of that date. You can check the date Companies House expects your annual return made up to by using the WebCheck service on our website.

### **5. Completing the annual return – Form LL AR01**

All the details you give on the annual return must confirm the details already held on the Companies House public record at the made-up date. You may not use the annual return to change any details on the public record. To change these details you must deliver the relevant form(s) with your annual return.

- change of registered office address – LL AD01;
- appointment of an LLP member – LL AP01 or LL AP02;
- change of details, for example, the address of a member – LL CH01 or LL CH02;
- termination of appointment of a member – LL TM01;
- notification or change of address where the LLP records may be kept available for inspection – LL AD02;
- notification of LLP records held at alternate address or returning to the registered office address – LL AD03 or LL AD04.

Companies House will reject your annual return if it does not include the required information. However, where the information is completed but does not match our records, we may choose to accept the annual return but mark it as inconsistent with the public register. For further information, please see our guide on the Registrar's Rules and Powers.

## **6. Is there a fee for filing the annual return?**

Yes. There is an annual document-processing fee of £14 for users of our Software Filing or WebFiling services or £40 for paper documents which is payable when you file the annual return. Companies that file a paper annual return should make the cheque payable to 'Companies House' and write the company number on the reverse.

## **7. Is there any other information that can be filed together with the annual return?**

Some LLPs must deliver information about their related undertakings with their annual return. This is only where the information required in the accounts would result in excessive notes to the accounts. The accounts must state that the full information will be delivered with the next annual return.

## **Chapter 5 Accounting reference dates**

### **1. What is a financial year?**

A financial year is usually a 12 month period for which you prepare accounts. Every LLP must prepare accounts that report on the performance and activities of the LLP during the financial year. This starts on the day after the previous financial year ended or, in the case of a new LLP, on the day of incorporation.

Financial years are determined by reference to an accounting reference period. The accounting reference period ends on the accounting reference date. LLPs have the choice to make up their accounts up to the accounting reference date or a date up to seven days either side of it without filing an LL AA01 form, if this is more convenient.

### **2. How is the accounting reference date determined?**

For all new LLPs, the legislation sets the first accounting reference date as the last day in the month in which the LLP's first anniversary falls. The subsequent accounting reference dates will automatically be on the same date each year. For example, an LLP incorporated on 1 October 2009 will have its first accounting reference date as 31 October 2010 and 31 October for every year thereafter.

### **3. Can I change the accounting reference date?**

Yes, you can change the current or the immediately previous accounting reference date by extending or shortening the period. To do this you must notify Companies House of a change of accounting reference date on LL AA01. You must submit an acceptable change of accounting reference date form before the filing deadline of the accounts for the period that you wish to

change. In other words, if accounts for a particular accounting reference period become overdue, it is too late to change the accounting reference date.

LLPs normally have 9 months to submit their accounts to Companies House after the end of each accounting reference period. The period allowed for submitting an LLP's first accounts and for changing its accounting reference date is different and we explain this in Chapter 8.

#### **4. Are there any restrictions on changing the accounting reference date?**

You may change an accounting reference date by shortening an accounting reference period as often as you like and by as many months as you like.

However, there are restrictions on extending accounting reference periods:

- you may not extend a period so that it lasts more than 18 months from the start date of the accounting period unless the LLP is in administration;
- you may not extend more than once in 5 years unless:
  - the LLP is in administration; or
  - the Secretary of State has directed that this can happen; or
  - the LLP is aligning its accounting reference date with that of a subsidiary or parent undertaking under the law of the UK or another state in the European Economic Area (EEA).

For a list of countries within the European Economic Area please access this [link](#).

#### **5. Are there any extra restrictions when changing an LLP's first accounting reference date?**

No. The restrictions for changing any period are the same as those described in the previous question.

You should note that when you extend your first accounting period to the maximum 18 months, you must count the date of incorporation as the first day of the period. Many LLPs make the mistake of simply adding 6 months to the end of the period, which can in some cases extend the period beyond 18 months.

You can notify Companies House of this change online via WebFiling; using a suitable Software Filing package or by delivering paper documents to us by post.

## **Chapter 6 Accounting Records**

## **1. Do all LLPs have to keep accounting records?**

Yes all LLPs have to keep accounting records which enable the members to prepare accounts that comply with the requirements of the legislation.

## **2. What must accounting records include?**

Accounting records must in particular contain:

- entries showing all money received and expended by the LLP; and
- a record of the assets and liabilities.

Also, where the LLP's business involves dealing in goods the records must contain:

- statements of stock held by the LLP at the end of each financial year;
- all statements of stock takings from which you have taken or prepared any statements of stock; and
- a statement of all goods sold and purchased, other than by ordinary retail trade. This should list the goods, the buyers and sellers.

A parent LLP must take reasonable steps to ensure that any subsidiary undertaking keeps sufficient accounting records so that the members of the parent LLP are able to prepare accounts that comply with the requirements of the Companies Act, including where the accounts are prepared using International Accounting Standards (IAS).

## **3. Where must an LLP keep its accounting records?**

An LLP must keep its accounting records at its registered office address or a place that the members think suitable. The records must be open to inspection by the LLP members at all times.

If the LLP holds the records at a place outside of the UK, it must send accounts and returns with details of the business dealt with in the accounting records at least every six months and keep them in the UK. Those accounts and returns must disclose the financial position and enable the members to prepare accounts that comply with the requirements of the Companies Act, including where accounts are prepared using International Accounting Standards (IAS).

## **4. How long must a LLP keep its records?**

An LLP must keep its accounting records for 3 years from the date they were made.

## **Chapter 7**

### **Accounts for the members**

#### **1. Who is responsible for preparing accounts?**

The members of every LLP must prepare accounts for each of its financial years. These are individual accounts. A parent LLP must also prepare group accounts (but for parent LLPs defined as small this is optional). Chapter 9 contains more information on small LLPs.

#### **2. What does a set of accounts include?**

Generally, accounts must include:

- a profit and loss account;
- a balance sheet signed by a designated member and includes the printed name of the member who signed the balance sheet on behalf of the board;
- notes to the accounts; and
- group accounts (if appropriate).

And accounts must be accompanied by an auditor's report (unless the LLP is exempt from audit).

#### **3. What period must the accounts cover?**

An LLP's first accounts cover the period starting on the date of incorporation, not the first day of trading. They end on the accounting reference date or up to 7 days either side of that date.

Subsequent accounts start on the day after the previous accounts ended and finish on the accounting reference date, or up to 7 days either side of it. We explain accounting reference dates and how to change them in chapter 5.

#### **4. Who must be sent a copy of the accounts?**

Every LLP must send a copy of its annual accounts and auditor's report (where applicable) for each financial year to:

- every member of the LLP; and
- every holder of the LLP's debentures.

The LLP must also send the accounts to Companies House. Further information on this is in Chapter 8.

**5. Can an LLP agree to use a website as a means of showing the members the accounts?**

Yes. Members may agree internally that an LLP may send or supply documents, including accounts, by publishing them on their website.

**6. Who can approve and sign accounts?**

The LLP members must approve the accounts and have them signed on their behalf by a designated member who must also print their name. The printed name and signature must be on the balance sheet, and any statement about the accounts being prepared under the small LLPs regime must appear above these.

If the LLP has to attach an auditor's report to the accounts, the report must state the auditor's name.

Where the auditor is a firm, the auditor's report must state the name of the auditor and the name of the person who signed it as senior statutory auditor on behalf of the firm.

**Please note:** Companies House cannot accept a typewritten name as a signature on accounts.

**7. Are there any exemptions from stating the auditor's name on the auditor's report or special auditor's report?**

Yes. More details are in question 6 of Chapter 12 on Auditors.

**Chapter 8  
Accounts for Companies House**

**1. Are the accounts filed with Companies House different to the accounts prepared for the members?**

The designated members (who are responsible for filing accounts at Companies House) can simply submit a copy of the accounts that have already been prepared for the members. However small and medium-sized LLPs may submit an abbreviated version of those accounts which contain reduced detail by combining certain items. Qualifying dormant LLPs can deliver even simpler annual accounts to Companies House. Further information is in Chapter 11 on Dormant LLPs.

**2. Do all LLPs have to file their accounts at Companies House?**

All LLPs must deliver accounts to Companies House.

### **3. Do I still need to file my accounts with HMRC and other regulatory bodies?**

Yes. The accounts submitted to Companies House are in accordance with the Companies Act 2006 as applied to LLPs. You must still file with other regulatory bodies according to their requirements and filing deadlines.

### **4. Will Companies House give technical advice on accounts?**

No. We can only give general guidance, not technical advice on specific accounting or legal issues. Your accounts are subject to legal requirements, and we are not qualified to give specialist advice. You may wish to consider consulting an accountant if you need this sort of advice.

### **5. How long do the designated members have to file the LLP's first accounts?**

If you are filing the LLP's first accounts and those accounts cover a period of more than 12 months, you must deliver them to Companies House:

- within 21 months of the date of incorporation: or
- 3 months from the accounting reference date, whichever is longer.

The deadline for delivery to Companies House is calculated to the exact day. For example, an LLP incorporated on **1 January 2009** with an accounting reference date of 31 January has until midnight on **1 October 2010** (21 months from the date of incorporation) to deliver its accounts, not *31 October*.

You can check the date Companies House expects your accounts to be delivered by using the WebCheck service on our website.

If the first accounts cover a period of 12 months or less, the normal time allowed for delivering accounts applies.

Please note, the above period for filing accounts also applies to accounts prepared in accordance with the Companies Act 1985 or the Northern Ireland Order 1986 as applied to LLPs for the accounting periods starting on or after 6 April 2008.

### **6. How long do I normally have to file my accounts?**

Unless you are filing the LLP's first accounts the time normally allowed for delivering accounts to Companies House is 9 months from the accounting reference date. This also applies to accounts prepared in accordance with the Companies Act 1985 or the Northern Ireland Order 1986 as applied to LLPs for the accounting periods starting on or after 6 April 2008.

Please be aware of the **definition of a period of months** in connection with filing accounts

A period of months after a given date ends on the corresponding date in the appropriate month. For example, an LLP with an accounting reference date of 8 April has until midnight on 8 January of the following year to deliver its accounts, *not 31 January*.

This does not apply if your accounting reference date is the last day of the month. In this case, the period allowed for filing accounts would end with the last day of the appropriate month. For example, an LLP with an accounting reference date of 30 April has until midnight on 31 January of the following year to deliver its accounts, *not 30 January*.

### **7. Will I still have to file by the original deadline if I shorten my accounting reference date?**

No. When an LLP has shortened its accounting period the new filing deadline will automatically be the longer of the following two options:

- **9 months** from the new accounting reference date; or
- **3 months** from the date of receipt of the notice changing the accounting reference date on Form LL AA01.

### **8. Can I apply for extra time to file?**

Yes. If there is a special reason for doing so, you may make an application to extend the time for delivering accounts to Companies House; for example, if there has been an unforeseen event which was outside the control of the LLP and its auditors.

You must make the application and deliver it **before** the normal filing deadline. It must contain a full explanation of the reasons for the extension and the length of the extension requested.

You can do this by emailing us or writing to:

<b>For LLPs incorporated in England and Wales, write to:</b>	<b>For LLPs incorporated in Scotland, write to:</b>	<b>For LLPs incorporated in Northern Ireland, write to:</b>
Companies House Crown Way Cardiff CF14 3UZ  DX 33050 Cardiff 1	Companies House Fourth Floor Edinburgh Quay 2 139 Fountainbridge Edinburgh EH3 9FF  DX ED235 Edinburgh1	The Registrar of Companies Companies House Second Floor The Linenhall 32-38 Linenhall Street Belfast Northern Ireland

## 9. What if the LLP delivers the accounts late?

Failure to deliver accounts on time is a criminal offence. In addition, the law imposes a civil penalty for late filing of accounts on the LLP. The amount depends on how late the accounts arrive. More information is in our guide on Limited Liability Partnerships Late Filing Penalties.

## 10. What if the filing deadline falls on a Sunday or a Bank Holiday?

If a filing deadline falls on a Sunday or Bank Holiday, the law still requires the designated members to file the accounts by that date. So you should ensure that you send acceptable accounts in time to arrive **before** such a deadline.

It is the date that you deliver acceptable accounts which meet the relevant legal requirements to Companies House that is important, not the date that you send the accounts.

**Please note:** some CH offices do not receive post on Saturdays and may not have a post box. For full details of opening hours and access for delivery follow this link to GP6 Chapter 1 Question 3

## 11. What if I do not submit accounts to Companies House at all?

If the registrar believes that an LLP is no longer carrying on business or in operation, he could strike it off the register and dissolve it. In this event, all the assets of the LLP, including its bank account and property, generally become the property of the Crown.

Failure to deliver documents on time is a **criminal offence**. The designated members of the LLP risk prosecution. On conviction, a designated member could end up with a criminal record and a fine of up to £5,000 for each offence. This is in addition to the civil penalty imposed on the LLP for late filing of accounts.

## 12. What names should be given on the accounts for the purposes of filing with Companies House?

For filing, the copies of the accounts must state the following:

- the copy of the balance sheet must state the name of the designated member who signed it on behalf of the LLP;
- the copy of the balance sheet must be signed by a designated member;

- if the LLP has to attach an auditor's report to the accounts, the copy of the auditor's report must state the auditor's name.

Please note that a legible signature on a balance sheet will not satisfy the additional requirement for a printed name. Companies House will reject any accounts that do not meet the above requirements.

Where the auditor is a firm the auditor's report must state the name of the auditor and the name of the person who signed it as senior statutory auditor on behalf of the firm.

### **13. Where must the LLP name and number be shown?**

The LLP name and number should appear on one of the composite documents of the accounts such as the members' report or balance sheet. The name and number may also be shown on any cover sheet delivered with the accounts.

For more details, including on circumstances in which auditors names may be omitted, please see chapter 12 – Auditors.

### **14. What if my accounts are rejected?**

If your accounts do not meet our requirements we will return them to you for correction. It is crucial that you get your accounts to us well before the filing deadline as you will not be given any extra time if they are rejected.

### **15. Can I submit accounts in any language?**

If you prepare accounts in a language other than English, you must also send with them a certified translation into English. If the registered office of the LLP is situated in Wales however you need only send the Welsh accounts if you so choose. LLPs may also send voluntary certified translations. You may only send certified voluntary translations in an official language of the European Union and you must also send with them with a completed Form LL VT01.

### **16. Can I submit any of the accounts information separately?**

Yes. Information about related undertakings can be annexed to the company's next annual return under certain circumstances.

Where the LLP is required to include large amounts of information about related undertaking which the directors decide would make the notes excessive in length, the accounts will only need to include:

- information about those undertakings that have principally affected the figures shown in the company accounts;
- in the case of group accounts, information about the undertakings excluded from the consolidation;

- a statement in the notes that the information is given only with respect to such undertakings as mentioned.

If an LLP takes advantage of this the full information, including the information already given in the accounts, must be annexed to the next annual return.

## **Chapter 9**

### **Small LLP accounts**

#### **1. What is a small LLP?**

There are 3 sizes of LLP to consider when preparing your accounts; small, medium or large. There are thresholds for turnover, balance sheet total (meaning the total of the assets) and the average number of employees which determine whether your LLP is small or medium-sized. Any LLP that does not meet the criteria for small or medium is a large LLP and will have to prepare and file full accounts.

A small LLP can prepare and file accounts according to special provisions in the Companies Act 2006 as applied to LLPs and relevant regulations. This means that they can choose to disclose less information than medium-sized and large LLPs.

LLPs whose securities are admitted to trading on an EEA regulated market and certain financial services LLPs cannot qualify as a small LLP. Similarly, LLPs which are part of a group which has members who are public companies or financial services LLPs cannot qualify as small, except in certain circumstances.

If you think your LLP qualifies as small, you may wish to consult a professional accountant before you prepare accounts in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

#### **2. What are the conditions to qualify as a small LLP?**

A small LLP must meet at least two of the following conditions:

- annual turnover must be not more than £6.5 million;
- the balance sheet total must be not more than £3.26 million;
- the average number of employees must be not more than 50.

#### **3. Are there any LLPs that cannot prepare and submit small accounts?**

Yes. If an LLP is, or was at any time during the financial year one of the following it cannot prepare and submit small LLP accounts;

- an LLP whose securities are admitted to trading on a regulated market in an EEA State,
- an LLP that—
  - is an authorised insurance company, a banking LLP, an e-money issuer, a MiFID (i.e. Markets in Financial Instruments Directive) investment firm or a UCITS (i.e. Undertakings for Collective Instruments in Transferable Securities) management company, or
  - carries on insurance market activity, or
  - a member of an ineligible group.

A group is ineligible if any of its members is:

- a public company,
- a body corporate (other than a company) whose shares are admitted to trading on a regulated market in an EEA State;
- a person (other than a small company or small LLP) who has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity;
- 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
- a person who carries on insurance market activity.

If you have any queries regarding financial services LLPs which are excluded from the small LLPs regime please contact the Financial Services Authority on their website at [www.moneydeclared.fsa.gov.uk/about\\_the\\_fsa/contact/contact\\_us.html](http://www.moneydeclared.fsa.gov.uk/about_the_fsa/contact/contact_us.html).

#### **4. Can an LLP qualify as a small LLP every year?**

Generally, an LLP qualifies as 'small' in its first accounting period if it fulfils the conditions in that period. In any subsequent period, an LLP must fulfil the conditions in that period and the period before.

However if an LLP which qualified as small in one period no longer meets the criteria for small in the next period, the LLP may continue to claim the exemptions available for the next period. If that LLP then reverts back to being small by meeting the criteria the exemption will continue uninterrupted.

#### **5. What are the conditions to qualify as a small group?**

To qualify as small, a group headed by a parent LLP must meet at least two of the following conditions:

- aggregate turnover must be not more than £6.5 million net (or £7.8 million gross);
- the aggregate balance sheet total must be not more than £3.26 million net (or £3.9 million gross); and
- the aggregate average number of employees must be not more than 50.

## **6. What will small LLP accounts include?**

Generally, small LLP accounts prepared for the members include:

- a profit and loss account;
- a full balance sheet, showing the printed name and signature of a designated member;
- notes to the accounts; and
- group accounts (if a small parent LLP chooses to prepare them).

And they should be accompanied by an auditor's report (unless the LLP qualifies for exemption from audit and takes advantage of that exemption).

The balance sheet must contain a statement in a prominent position above the designated member's printed name and signature that the accounts have been prepared in accordance with the special provisions applicable to LLPs subject to the small LLPs regime.

## **7. What are the exemptions available for small LLPs?**

Small LLPs can prepare and file simpler, less detailed accounts than those required from large and medium LLPs.

Parts 15 and 16 of the Companies Act 2006, as applied to LLPs, set out the requirements for LLPs subject to the small LLPs regime. Further information on the detailed format and content of accounts for small LLPs can be found in the Small Limited Liability Partnerships (Accounts) Regulations 2008.

## **8. What does a small LLP have to deliver to Companies House?**

The designated members of an LLP can file a copy of the accounts prepared for members under the small LLPs regime, or an abbreviated version of these accounts. The content of abbreviated Companies Act accounts can be found in the Companies Act 2006 as applied to LLPs and in regulation 5 of and

Schedule 3 to the Small Limited Liability Partnerships (Accounts) Regulations 2008.

If you abbreviate the accounts, you will also need a special auditor's report which must state that in the auditor's opinion:

- the LLP is entitled to deliver abbreviated accounts in accordance with section 444(3) of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008); and
- that they have been properly prepared in accordance with regulation 5 of the Small Limited Liability Partnerships (Accounts) Regulations 2008. If the LLP is exempt from audit and the members have taken advantage of that exemption this report is not required - see question 10 on audit exemption for small LLPs.

The right to prepare abbreviated accounts for Companies House does not affect the LLP's obligations to prepare full accounts for its members – see chapter 7.

Small LLPs do not have to deliver a copy of the profit and loss account to Companies House.

Small LLPs preparing accounts that are not IAS can deliver an abbreviated balance sheet.

Small LLPs preparing IAS accounts must deliver a full balance sheet to Companies House.

If you prepare accounts in accordance with the provisions applicable to small LLPs, whether abbreviated or full accounts, you must include a statement in a prominent position on the balance sheet and above the designated member's printed name and signature that the accounts have been prepared in accordance with the special provisions applicable to LLPs subject to the small LLP regime.

## **9. Are there special rules for small groups?**

Yes, a parent LLP which qualifies as small need not prepare group accounts or submit them to Companies House if the group is small and not ineligible. If a small parent LLP decides to prepare group accounts their content is prescribed by Schedule 4 Part 1 of the Small Limited Liability Partnerships (Accounts) Regulations 2008. If you prepare group accounts, they must contain a statement above the printed name and signature on the balance sheet, confirming that “the accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime”.

## **10. What audit exemption is available for small LLPs?**

There is exemption from audit for certain small LLPs if they are eligible and wish to take advantage of it.

## 11. Which small LLPs qualify for audit exemption?

To qualify for audit exemption, an LLP must:

- qualify as small;
- have a turnover of not more than £6.5 million; and
- have a balance sheet total of not more than £3.26 million.

## 12. Are all types of small LLPs eligible for the exemption?

No. The designated members must file audited accounts at Companies House if the LLP falls into any of the following categories:

- an LLP whose securities are admitted to trading on a regulated market in an EEA State,
- an LLP that—
  - is an authorised insurance company, a banking LLP, an e-money issuer, a MiFID investment firm or a UCITS management company, or
  - carries on insurance market activity;
- an employers' association as defined in section 122 of the Trade Union and Labour Relations (Consolidation) Act 1992 or Article 4 of the Industrial Relations (Northern Ireland) Order 1992;
- a parent LLP or subsidiary undertaking (unless dormant for the period during which it was a subsidiary undertaking) except where:
  - the group qualifies as a small group (treating all the bodies corporate in the group, including non-UK bodies corporate as if they were LLPs or companies) and was not at any time in the year an ineligible group;
  - the turnover for the whole group is not more than £6.5 million net (or £7.8 million gross); and
  - the group's combined balance sheet total is not more than £3.26 million net (or £3.9 million gross).

## 13. What does an audit-exempt LLP need to submit to Companies House?

If a small LLP qualifies for audit exemption, it may submit unaudited accounts to Companies House in the form of an abbreviated balance sheet and notes or if it chooses, full accounts. In either case, the balance sheet must contain

the following statements above the designated member's printed name and signature:

### **Audit Exemption Statement**

**“For the year ending ..... (dd/mm/yyyy) the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008) relating to small LLPs.**

**The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.**

**These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.”**

Small LLPs that deliver a full balance sheet may choose not to include a copy of the profit and loss account. In this case, the balance sheet must also contain an additional statement **‘that the accounts have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime’**.

### **14. How long do I have to deliver audit-exempt accounts to Companies House?**

You have the same time for filing both audited and audit exempt accounts, and the law imposes the same penalties for late filing of all accounts.

### **15. Does an audit exempt LLP still have to send accounts to its members and debenture holders?**

Yes. Members and debenture holders have a right to receive or demand copies of accounts and any related auditor’s report.

## **Chapter 10 Medium-sized LLP accounts**

### **1. What is a medium-sized LLP?**

As with a small LLP, a medium- sized LLP is determined by its turnover, balance sheet total (meaning the total of the assets) and average number of employees.

A medium-sized LLP can prepare accounts according to special provisions applicable to medium-sized LLPs. It can also choose to submit reduced information to Companies House.

Certain financial services LLPs, and LLPs whose securities are admitted to trading on an EEA regulated market, cannot qualify as medium-sized LLPs. Similarly, LLPs which are part of a group which has members who are public companies or certain financial services LLPs or companies cannot qualify as medium-sized for accounting purposes.

## **2. What are the conditions to qualify as a medium-sized LLP?**

To be a medium-sized LLP, you must meet at least two of the following conditions:

- annual turnover must be no more than £25.9 million;
- the balance sheet total must be no more than £12.9 million;
- the average number of employees must be no more than 250

If it is not the LLPs first accounting period, it must have qualified as 'medium-sized' in the period before.

## **3. Are there any LLPs excluded from being treated as medium-sized?**

Yes. If an LLP is, or was at any time during the financial year, one of the following it is excluded from being treated as a medium-sized LLP:

- an LLP whose securities are admitted to trading on a regulated market in an EEA State,
- an LLP that:
  - has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity, or
  - carries on insurance market activity, or
- a member of an ineligible group.

A group is ineligible if any of its members is:

- a public company
- a body corporate (other than a company) whose shares are admitted to trading on a regulated market,
- a person (other than a small company or small LLP) who has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on a regulated activity,
- a small company or small LLP that is an authorised insurance company, a banking company or banking LLP, an e-money issuer,

a MiFID (i.e. Markets in Financial Instruments Directive) investment firm or a UCITS (i.e. Undertakings for Collective Investment in Transferable Securities) management company, or

- a person who carries on insurance market activity.

#### **4. Can an LLP qualify as a medium-sized LLP every year?**

Generally, an LLP qualifies as 'medium-sized' in its first accounting period if it fulfils the conditions in that period. In any subsequent period, an LLP must fulfil the conditions in that period and the period before.

However if an LLP which qualified as medium-sized in one period no longer meets the criteria for medium-sized in the next period, it may continue to claim the exemptions available for the next period. If the LLP then reverts back to being medium-sized by meeting the criteria the exemption will continue uninterrupted.

#### **5. What will medium-sized LLP accounts include?**

Medium-sized accounts must include:

- a profit and loss account;
- a balance sheet, showing the printed name and signature of a designated member;
- notes to the accounts; and
- group accounts (if appropriate)

and be accompanied by an auditor's report.

#### **6. What are the exemptions available for medium-sized LLPs?**

Medium-sized LLPs preparing accounts under the Companies Act as applied to LLPs (but not IAS accounts) may omit disclosures about compliance with accounting standards and related party transactions from the accounts they send to their members. Also medium-sized LLPs preparing accounts that are not IAS accounts may choose to file a slightly reduced version of the profit and loss account. Further information may be found in The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008.

#### **7. What does a medium-sized LLP have to deliver to Companies House?**

Abbreviated accounts of a medium-sized LLP must include:

- the abbreviated profit and loss account (this must be full if preparing IAS accounts);

- the full balance sheet, showing the printed name and signature of a designated member; and
- notes to the accounts.

and be accompanied by a special auditor's report.

The special auditor's report should state that in the auditor's opinion the LLP is entitled to deliver abbreviated accounts in accordance with section 445(3) of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008) and that they are properly prepared in accordance with regulation 4 of The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008).

The balance sheet must contain a statement, above the designated member's printed name and signature, that the accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008) in regard to medium-sized LLPs.

## **8. Are there special rules for medium-sized groups?**

No. A medium-sized parent LLP must prepare group accounts and submit them to Companies House.

## **Chapter 11 Dormant LLP accounts**

### **1. What is a dormant LLP?**

An LLP is dormant if it has had no 'significant accounting transactions' during the accounting period. A significant accounting transaction is one which the LLP should enter in its accounting records.

When determining whether an LLP is dormant you can disregard the following transactions:

- fees paid to the registrar for a change of LLP name and filing annual returns; and
- payment of a civil penalty for late filing of accounts.

### **2. What are the conditions that a dormant LLP must meet to be exempt from audit?**

A dormant LLP is exempt from having an audit for that financial year if:

- it has been dormant since its formation; or
- it has been dormant since the end of the previous financial year and it meets the following conditions:
  - it is entitled to prepare individual accounts in accordance with the small LLPs regime or would have been so entitled but for the fact that it is a member of an ineligible group, and ;
  - it is not required to prepare group accounts for that year.

### **3. What exemption is available?**

Dormant LLPs can claim exemption from audit and need only prepare and deliver to Companies House an abbreviated balance sheet and notes. You do not have to include a profit and loss account in dormant LLP accounts filed at Companies House.

An LLP may not take advantage of the dormant LLP audit exemption if it was at any time in the financial year in question an LLP that:

- is an authorised insurance company, a banking LLP, an e-money issuer, a MiFID (i.e. Markets in Financial Instruments Directive) investment firm or a UCITS (i.e. Undertakings for Collective Investment in Transferable Securities) management company; or
- carries on insurance market activity.

An LLP is not entitled to the dormant LLP audit exemption unless its balance sheet contains the statements required by the Act. Question 5 covers the statements.

### **4. What information must dormant LLP accounts contain?**

Dormant LLP accounts submitted to Companies House need not include a profit and loss account. Unaudited dormant accounts are much simpler than those of a trading LLP, but must contain:

- a balance sheet containing statements above the designated member's printed name and signature to the effect that the LLP was dormant throughout the accounting period;
- any previous year's figures for comparison - even though there are no items of income or expenditure for the current year; and
- certain notes to the balance sheet.

The right to prepare a dormant balance sheet for filing at Companies House does not affect the LLP's obligations to prepare full accounts for its members.

### **5. What statements do I need to make on the balance sheet?**

The following statements must appear above the designated member's printed name and signature:

### **Audit Exemption Statement**

**“For the year ending ..... (dd/mm/yyyy) the LLP was entitled to exemption from audit under section 480 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008) relating to dormant LLPs.**

**The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.”**

An LLP that qualifies as small should also include the following statement on the balance sheet:

**“These accounts have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime”.**

### **6. How long do I have to submit dormant accounts to Companies House?**

You have the same time allowed for filing as for other accounts and the same penalties, for late filing apply. Further information can be found in our guide to Limited Liability Partnerships Late Filing Penalties.

### **7. What happens if my LLP starts trading again?**

The LLP will cease to be exempt from audit as a dormant LLP if it:

- begins commercial or trading activities during the financial period; or
- would no longer qualify for some other reason e.g. because there have been significant accounting transactions that need to be entered in its accounting records.

If either of these happened, you might have to submit full accounts for the financial year in which the LLP ceased to be exempt, and the designated members might need to appoint auditors for the LLP. However, it may be that the LLP would qualify for exemptions as a medium-sized or small LLP.

## **Chapter 12 Auditors**

## **1. What is an auditor?**

An auditor is a person who makes an independent report to the LLP members on whether the LLP has prepared its annual accounts in accordance with the requirements of the Companies Act 2006 as applied to LLPs and the applicable financial reporting framework. The report must state whether the accounts give a true and fair view of the LLP's state of affairs as at the end of the financial year and profit or loss for the year.

## **2. How do I appoint an auditor?**

An auditor must be appointed for each financial year, unless the designated members reasonably determine otherwise on the grounds that audited accounts are unlikely to be required.

The designated members appoint the first auditor of the LLP. Thereafter the members may appoint or re-appoint an auditor each year within 28 days of the designated members' sending the accounts to the members or the end of the time when they should have been sent. If they do not do so for a particular year however, the appointed auditor remains in office until the members determine to reappoint him or to remove him as auditor unless the LLP agreement requires the actual re-appointment.

## **3. What does an auditor do?**

The auditor will check the accounts and accounting records of the LLP and prepare a report for the members.

## **4. What will the auditor's report include?**

The auditors' report must include:

- an introduction identifying the accounts that are the subject of the audit;
- a description of the scope of the audit identifying the auditing standards and the financial reporting framework that has been used in the preparation of the accounts;
- a statement as to whether in the auditors' opinion the accounts have been prepared in accordance with the Companies Act 2006, as applied to LLPs and, where appropriate, in accordance with Article 4 of the EU Regulation on International Standards (Regulation (EC) 1606/2002, the "IAS Regulation");
- a statement as to whether the accounts give a true and fair view of the LLP's or (in the case of group accounts) the group's financial affairs;
- if the auditors are of the opinion that the LLP has not kept adequate accounting records, a statement to that effect; and

- if the LLP has not provided the auditors with all the information they need to complete the report, a statement to that effect.

The auditors' report must be either unqualified or qualified and must include a reference to any matters to which the auditors wish to draw attention by way of emphasis without qualifying the report. The auditor will qualify the report either where there has been a limitation on the scope of the auditor's work or where there is a material disagreement between the LLP and the auditors about the accounts.

## **5. Who is responsible for signing the auditor's report?**

The auditors must print their name, sign and date the report they provide to LLP members upon completion of the audit.

Where the auditor is a firm, the senior statutory auditor must sign the original auditors' report in his own name on behalf of the firm. He must also date the signature. The LLP must state the name of the senior statutory auditor in copies of the auditors' report it publishes. Copies of the auditors' reports delivered to Companies House must state the names of the audit firm and the senior statutory auditor, but need not be signed.

## **6. Are there any exemptions from stating the auditor's name on the auditor's report?**

Yes. If the LLP considers that there is a risk that the auditor or any other person would be at risk of serious violence or intimidation if the auditor's name (or the name of the "senior statutory auditor" who signed the report on the audit firm's behalf) appeared on filed or published copies of the report, it may determine to omit the name from those copies.

Do not send a copy of the determination to Companies House, but you should send notice of it to the following address,

The Secretary of State  
PO Box 4082  
Cardiff  
CF14 3WE

The notice must state:

- the name and registered number of the LLP;
- the financial year of the LLP to which the report relates; and
- the name of the auditor and (where the auditor is a firm) the name of the person who signed the report as senior statutory auditor.

The auditor's report attached to the accounts would need to contain the following statement:

*The LLP has determined that the auditor's name should not be stated in accordance with section 506 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008).*

## **7. Can my accountant be my auditor?**

An auditor must be independent of the LLP; therefore, you cannot appoint a person as an auditor if they are:

- a member or employee of the LLP or an officer or employee of an associated undertaking;
- a partner or employee of such a person, or a partnership of which such a person is a partner.

If your accountant does not fall into one of the above categories and if they are a registered auditor supervised by a recognised supervisory body, then they may act as the LLP's auditor.

**Remember:** Not all members of a recognised supervisory body are eligible to act as an auditor but the appropriate supervisory body will be able to tell you whether a particular individual or firm is a registered auditor.

## **8. What and who are recognised supervisory bodies?**

These are bodies recognised by the Professional Oversight Board as having rules designed to ensure that auditors are of the appropriate professional competence. Each recognised body has strict regulations and a disciplinary code to govern the conduct of their registered auditors.

The four recognised bodies are:

The Institute of Chartered Accountants of Scotland  
21 Haymarket Yards  
Edinburgh EH2 5BH  
Website: [www.icas.org.uk](http://www.icas.org.uk)

The Institute of Chartered Accountants in England and Wales  
Level 1, Metropolitan House  
321 Avebury Boulevard  
Milton Keynes MK9 2FZ  
Website: [www.icaew.com](http://www.icaew.com)

The Institute of Chartered Accountants in Ireland  
The Linenhall  
32-38 Linenhall Street

Belfast BT2 8BQ  
Website: Chartered Accountants Ireland

The Association of Chartered Certified Accountants  
29 Lincoln's Inn Fields  
London  
WC2A 3EE  
Website: [www.acca.org.uk](http://www.acca.org.uk)

### **9. Is an auditor usually only concerned with annual accounts?**

Subject to the Auditing Practices Board ethical standards, the auditors' statutory duties are limited to checking that there are adequate books and records, and to reporting on the annual accounts. Subject again to those ethical standards, there is nothing to stop an LLP employing an auditor for other purposes, such as keeping the books or compiling the tax return, provided he (or she) does not take part in the management of the LLP.

You should agree an engagement letter that sets out the scope of the auditor's engagement and the form of any reports that the auditor will make.

### **10. What must an auditor do when he ceases to hold office?**

If an auditor ceases for any reason to hold office, he or she must deposit a statement at the LLP's registered office. The statement should set out any circumstances connected with ceasing to hold office that the auditor considers should be brought to the attention of the members and creditors of the LLP.

If there are any such circumstances, the LLP must send a copy of the statement to all the members of the LLP unless a successful application is made to the court to stop this. If the auditor does not receive notification of an application to the court within 21 days of depositing the statement with the LLP the auditor must send a copy of the statement to Companies House within a further 7 days.

If there are no such circumstances, the auditor must deposit a statement with the LLP to that effect. The LLP does not have to circulate this statement to the members but a copy of it must be delivered to Companies House.

Also where the auditor resigns or is removed from office, there are obligations on the auditor and the LLP to notify the 'appropriate audit authority'. There is more detailed guidance on these provisions on the website of the Financial Reporting Council at [www.frc.org.uk](http://www.frc.org.uk).

## **Chapter 13**

### **Charges and mortgages (England and Wales, and Northern Ireland)**

A charge (or mortgage) is the security an LLP gives for a loan. Most charges must be registered at Companies House. The registration need not be by the

LLP itself- in most cases, registration is by the lender or the lender's agent. To register a charge, the details of the charge together with the original document creating or evidencing the charge, must be delivered to Companies House within the specified time limit.

You must deliver your application to register a charge within **21 days** after the creation of the charge to ensure its security in the event of liquidation. You will need a court order to register it outside the 21- day limit.

## **1. Charges you must register at Companies House.**

For LLPs incorporated in England and Wales, Wales and in Northern Ireland, the charges that must be registered are:

- a charge on land or any interest in land, other than a charge for any rent or other periodical sum issuing out of land;
- a charge created or evidenced by an instrument which, if executed by an individual, would require registration as a bill of sale;
- a charge for the purposes of securing any issue of debentures;
- a charge on book debts of the LLP;
- a floating charge on the LLP's property or undertaking;
- a charge on a ship or aircraft, or any share in a ship;
- a charge on goodwill or on any intellectual property as set out in section 861(4);

## **2. Which form should I use?**

Particulars of a mortgage or charge created by a Limited Liability Partnership (LLP) – LL MG01

Particulars for the registration of a charge to secure a series of debentures by a Limited Liability Partnership (LLP) – LL MG07

Particulars of an issue of secured debentures in a series by a Limited Liability Partnership (LLP) – LL MG08

Certificate of registration of a charge comprising property situated in another UK jurisdiction by a Limited Liability Partnership (LLP) – LL MG09

Particulars of a charge subject to which property has been acquired by a Limited Liability Partnership (LLP) – LL MG06

Statement of satisfaction in full or in part of mortgage or charge by a Limited Liability Partnership (LLP) – LL MG02

Statement that part (or the whole) of the property charged (a) has been released from the charge; (b) no longer forms part of the Limited Liability Partnership's (LLP's) property – LL MG04

Notice of appointment of an administrative receiver, receiver or manager by a Limited Liability Partnership (LLP) – LL LQ01

Notice of ceasing to act as an administrative receiver, receiver or manager by a Limited Liability Partnership (LLP) – LL LQ02

### **3. Things to remember when filing a Form LL MG01**

The Form LL MG01 is the most commonly filed charge form at Companies House. You must deliver the prescribed particulars of the charge, together with the original instrument (if any) by which the charge is created or evidenced, to Companies House within 21 days of the date of creation of the charge. It is important to act as quickly as possible and, when delivering the form to Companies House, remember to;

- complete the correct form and deliver it to the correct registration office while also following any relevant notes on the form;
- deliver the original instrument (if there is one) creating or evidencing the charge with the form;
- check that the details on the form are correct and match the information given in the instrument; and
- enclose the registration fee of £13.

### **4. What if I do not register a charge within the 21 day filing deadline?**

If you do not register the charge in time, then in the event of the LLP's insolvency, the charge will be void against the liquidator or administrator and any creditor of the LLP. This means that the debt for which the charge was given will remain payable, but it will be unsecured. Only the court can grant an extension of time for registration of a charge that Companies House did not receive in time.

If an LLP fails to deliver a registrable charge, and no interested party has registered it, then the LLP and every member of the LLP who is in default are liable to a fine.

### **5. Acquisition of property which is already charged.**

If you acquire property that is already subject to a charge, and the charge is of a type which the LLP would have had to register if it had created the charge itself, you must register this charge. The LLP must complete and deliver Form

LL MG06 to Companies House, accompanied by a certified copy of any instrument that creates or evidences the charge.

You must do this within 21 days after the LLP completed the acquisition of the property.

## **6. What rights has the chargee?**

If the LLP does not deliver a charge for registration at Companies House, the chargee (the person to whom the property is charged) can register the required documents. In certain circumstances a chargee can appoint a receiver or manager (or ask the court to appoint one) over the property charged. Any person interested in the charge may notify the appointment to Companies House within 7 days on Form LL LQ01.

On ceasing to act the receiver or manager must notify Companies House on Form LL LQ02.

## **7. What should I do when the LLP pays off the charge?**

The LLP does not need to inform Companies House that it has fully or partly paid off a charge. However, it is in the LLP's own interests that potential investors and lenders are aware that it has paid off all or part of the debt. You should deliver Form LL MG02 to Companies House as notification that the LLP has partly or fully paid off a charge.

## **8. What if the charged property ceases to be charged or to belong to the LLP?**

As with partly or fully paid-off charges, there is no requirement for an LLP to inform Companies House that its property has been released from a charge or that the property no longer belongs to the LLP. However, it is in the LLP's own interests that potential investors and lenders are aware of this. You should deliver Form LL MG04 to Companies House to notify us when the charged property ceases to be charged or to belong to the LLP.

For further information see sections 860 to 877 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009.

## **Chapter 14 Charges and Mortgages (Scotland)**

A charge (or mortgage) is the security a company gives for a loan. Most charges must be registered at Companies House. The registration need not be by the company itself – in most cases, registration is by the lender or the lender's agent. To register a charge, the details of the charge together with a certified copy of the document creating or evidencing the charge, must be delivered to Companies House within the specified time limit.

You must deliver your application to register a charge within **21 days** after the creation of the charge to ensure its security in the event of liquidation. You will need a court order to register it outside the 21- day limit.

## **1. Charges to be registered at Companies House, Scotland.**

For LLPs incorporated in Scotland, the charges that must be registered are:

- a charge on land or any interest in such land, other than a charge for any rent or other periodical sum payable in respect of the land;
- a security over incorporeal moveable property of any of the following categories –
  - (i) goodwill;
  - (ii) a patent or a licence under a patent;
  - (iii) a trademark;
  - (iv) a copyright or a licence under a copyright;
  - (v) a registered design or a licence in respect of such a design;
  - (vi) a design right or a licence under a design right; and
  - (vii) the book debts (whether book debts of the LLP or assigned to it),
- a security over a ship or aircraft or any share in a ship;
- a floating charge.

## **2. Which forms should I use?**

Particulars of a charge created by a Limited Liability Partnership (LLP) registered in Scotland – LL MG01s

Particulars for the registration of a charge to secure a series of debentures by a Limited Liability Partnership (LLP) registered in Scotland – LL MG07s

Particulars of an issue of secured debentures in a series by a Limited Liability Partnership (LLP) registered in Scotland – LL MG08s

Particulars of a charge subject to which property has been acquired by a Limited Liability Partnership (LLP) registered in Scotland – LL MG06s

Statement of satisfaction in full or in part of a fixed charge by a Limited Liability Partnership (LLP) registered in Scotland – LL MG02s

Statement of satisfaction in full or in part of a floating charge by a Limited Liability Partnership (LLP) registered in Scotland – LL MG03s

Statement that part (or the whole) of the property charged (a) has been released from the fixed charge; (b) no longer forms part of the Limited Liability Partnership's (LLP's) property, by an LLP registered in Scotland – LL MG04s

Statement that part (or the whole) of the property charged (a) has been released from the floating charge; (b) no longer forms part of the Limited Liability Partnership's (LLP's) property, by an LLP registered in Scotland – LL MG05s

Particulars of an instrument of alteration to a floating charge created by a Limited Liability Partnership registered in Scotland – LLP466

### **3. Things to Remember when filing a Form LL MG01s**

The Form LL MG01s is the most commonly filed charge form at Companies House, Scotland. You must deliver the prescribed particulars of the charge, together with a certified copy of the instrument (if any) by which the charge is created or evidenced, to Companies House within 21 days of the date of creation of the charge. It is important to act as quickly as possible and, when delivering the Form to Companies House, remember to;

- complete the correct form and deliver it to the correct registration office while also following any relevant notes on the form;
- deliver a certified copy of the Instrument (if there is one) creating or evidencing the charge with the form;
- check that the details on the form are correct and match the information given in the instrument; and
- enclose the registration fee of £13

### **4. What if I do not register a charge within the 21 day filing deadline?**

If you do not register the charge in time, then in event of the LLP's insolvency the charge will be void against the liquidator or administrator and any creditor of the LLP. This means that the debt for which the charge was given will remain payable, but it will be unsecured. Only the court can grant an extension of time for registration of a charge that Companies House did not receive in time.

If an LLP fails to deliver a registrable charge, and no interested party has registered it, then the LLP and every member of the LLP who is in default are liable to a fine.

### **5. Acquisition of property which is already charged.**

If you acquire property that is already subject to a charge, and the charge is of a type which the LLP would have had to register if it had created the charge itself, then it must notify the fact that it has acquired this property. To do this the LLP must complete and deliver Form LL MG06s to Companies House, with a certified copy of any instrument that created or evidenced the charge.

You must do this within 21 days after the LLP completed the acquisition of the property.

## **6. What should I do when the LLP pays off the charge?**

The LLP does not need to inform Companies House that it has fully or partly paid off a charge. However, it is in the LLP's own interests that potential investors and lenders are aware that it has paid off all or part of the debt. You should either deliver Form LL MG02s or Form LL MG03s (dependant on whether the satisfaction is of a fixed or floating charge) to Companies House as notification that the LLP has partly or fully paid off a charge.

## **7. What if the charged property ceases to be charged or to belong to the LLP?**

As with partly or fully paid-off charges, there is no requirement for a LLP to inform Companies House that its property has been released from a charge or that the property no longer belongs to the LLP. However, it is in the LLP's own interests that potential investors and lenders are aware of this. You should either deliver Form LL MG04s or Form LL MG05s (dependant on whether it is a fixed or floating charge) to Companies House to notify us when the charged property ceases to be charged or to belong to the LLP.

For further information see further sections 878 to 892 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009.

## **Chapter 15 Quality of documents**

### **1. What happens to the documents I send to Companies House?**

We scan the documents and paper forms you deliver to us to produce an electronic image. We then store the original, paper documents and use the electronic image as the working document.

When a customer searches the public record, they see the electronic image reproduced on-line. So it is important not only that the original is legible, but that it can also produce a clear copy.

When you submit a document electronically, we automatically create an electronic image from the data you have provided us with.

This chapter sets out some guidelines to follow when preparing a document for filing at Companies House.

### **2. How should I set out documents?**

#### **Documents submitted electronically**

Documents submitted electronically must comply with the specifications set out by the registrar in his rules on electronic filing. The formats for software and web filing are contained in the rules published on the website, and our website contains all the formats you will need to file via that method. Many of the businesses shown on our list of software suppliers provide web-based services and depending on the volume of filings you anticipate making, it may be more practical for you to use their services. Electronic applications are processed faster than those filed on paper. We aim to process electronic documents within 24 hours of receipt.

### **Paper documents**

Generally, every paper document sent to Companies House must state in a prominent position the registered name and number of the LLP. There are a few exceptions to this rule, which are set out in the published registrar's rules.

Paper documents should be on A4 size, plain white paper with a matt finish. The text should be black, clear, legible, and of uniform density. Letters and numbers must be clear and legible so that we can make an acceptable copy of the document. The following guidelines may help:

#### **When you fill in a paper form please:**

- use black ink or black type;
- use bold lettering (some elegant thin typefaces and pens give poor quality copies);
- don't send a carbon copy;
- don't use a dot matrix printer;
- remember - photocopies can result in a grey shade that will not scan well.
- use A4 size paper with a good margin;
- supply them in portrait format (that is with the shorter edge across the top); and
- include the LLP number and name.

### **Glossy accounts**

If you are producing colour printed glossy accounts with pictures, please save them for your shareholders and others who will appreciate them. We still need black on white with a matt finish. A typed, unbound version of a printer's proof

is ideal, provided it has the necessary signatures.

Each year around 6,000 sets of accounts are rejected due to inadequate legibility. The top 3 reasons include:

- Glossy accounts;
- Shading over figure work e.g. to differentiate between the financial year in question and the previous year;
- Poor print quality.

### 3. Where can I find out more about this?

For further guidance on print requirements please email your enquiry or telephone 0303 1234 500

## Chapter 16 Further Information

### 1. How do I deliver information to Companies House?

For full details of all the ways of delivering documents to Companies House, electronically or on paper, please refer to the registrar's rules which appear on our website. The safest and most secure way to deliver statutory information to Companies House is to use our online filing services. We aim to process electronic documents within 24 hours of receipt.

For more information and registration details please visit our website.

If you are delivering paper documents by post, courier, Document Exchange Service (DX) or Legal Post (in Scotland) and would like a receipt, Companies House will provide an acknowledgement if you enclose a copy of your covering letter with a pre-paid addressed return envelope. We will barcode your copy letter with the date of receipt and return it to you in the envelope provided.

**Please note:** an acknowledgement of receipt does not mean that a document has been accepted for registration at Companies House.

**Please Note:** Companies House does not accept any statutory documents by fax, PDF or by email.

### 2. Do I have to pay to file documents at Companies House?

You do not have to pay a fee for many of the documents that you have to send to Companies House, **but some do require a fee and we will not**

**accept them for registration without it.** For full details you should refer to our website.

### **3. Can I file documents in other languages?**

As a general rule the law requires that you file documents sent to Companies House in English. There are exceptions as detailed below. You can draw up and deliver documents in Welsh if you are an LLP with its registered office situated in Wales.

LLPs can deliver the following documents in other languages if the document is accompanied by a certified translation into English:

- for LLPs included in accounts of larger EEA (European Economic Area) or non-EEA groups, the group accounts and where appropriate the parent undertakings annual report;
- charge instruments (or copy charge instruments);and
- court Orders.

In addition, LLPs may also file voluntary certified translations of any document specified in section 1078 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Application of the Companies Act 2006) Regulations 2009. These are:

- constitutional documents i.e. the LLP's incorporation document; any notice under section 8(4) of the Limited Liability Partnerships Act 2000 or notice of change of LLP name;
- notifications of change in the membership of the LLP or in particulars of members;
- accounts, reports and annual returns;
- notification of any change in an LLP's registered office;
- winding up documents;

The voluntary translation must relate to a document delivered to Companies House on or after 1 October 2009. Voluntary translations can only be filed in an official language of the European Union and must be accompanied by Form LL VT01, which will link the translation to the original document.

### **4. Where do I get forms and guides?**

This is one in a series of Companies House publications which provides a simple guide to the Companies Act and related legislation.

All statutory paper forms and guides are available, free of charge from

Companies House. The quickest way to obtain them is on our website or by telephoning 0303 1234 500.

You can also obtain paper forms from company law stationers, accountants, solicitors and company formation agents.

# how to contact us

Version 2.6 (04/11)

contact centre: **0303 1234 500**

(For training and quality purposes your call may be monitored)

mini-com: 029 2038 1245

enquiries@companieshouse.gov.uk

**www.companieshouse.gov.uk**

**Cardiff:** Companies House  
Crown Way, Cardiff CF14 3UZ  
Fax: 029 2038 0900

**Edinburgh:** Companies House  
4th Floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, EH3 9FF  
Fax: 0131 535 5820

**London:** Companies House  
21 Bloomsbury Street, London, WC1B 3XD  
Fax: 029 2038 0900

**Belfast:** Companies House,  
1st Floor, Waterfront Plaza,  
8 Laganbank Road, Belfast, BT1 3BS.  
Fax: 028 9090 5291

For the most up to date version of this booklet please visit our website at:

**www.companieshouse.gov.uk**