



CCAB Press Release

Date: 7 October 2013

Consultation: Draft Statement of Recommended Practice – Accounting by Limited Liability Partnerships (LLPs SORP)

CCAB announces today that it has published its draft Statement of Recommended Practice (SORP) on accounting by Limited Liability Partnerships (LLPs) for comment. The SORP applies UK generally accepted accounting practice (GAAP) to LLPs incorporated in the UK and the Republic of Ireland.

The underlying purpose of the SORP is to ensure that, as far as possible, LLPs present financial statements that are comparable with those of limited companies. As a consequence of the introduction of a new UK GAAP regime that sees all extant SSAPs, FRSs and UITF abstracts being replaced with FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102), we are now publishing an Exposure Draft of a revised SORP.

Andrew Vials, Chairman of the CCAB SORP LLPs Steering Group, said: “LLPs are a popular corporate vehicle for many small and medium-sized enterprises. The SORP has long established accounting practices for such bodies and ensures accountability and comparability. It now needs updating to bring it into line with the requirements of FRS 102.”

The CCAB Chairman, Anthony Harbinson, commented: “While many of the proposed changes are relatively straightforward and will not affect existing practice, others – such as the updated guidance on business combinations, group accounts, contractual or constructive obligations and annuities – are more substantive. We therefore encourage constituents to consider the exposure draft carefully and look forward to hearing their views on it.”

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Notes for editors

1. The combined membership of the five CCAB bodies - ICAEW, ACCA, ICAS, CIPFA and Chartered Accountants Ireland - amounts to 245,935 professional accountants in the UK and the Republic of Ireland (354,271 worldwide), according to recent statistics from the FRC. These significant numbers enable CCAB to speak with authority for the UK accountancy profession.
2. A copy of the draft SORP *Accounting by Limited Liability Partnerships* is available online at:
http://www.ccab.org.uk/documents/CCAB_SORP_LL_P_Draft_01102013_clean.pdf

3. The deadline for comments is 10 January 2014 and they can be submitted to Sharon Grant, CCAB Manager, sharon.grant@ccab.org.uk.
4. Limited Liability Partnerships (LLPs) were established in Great Britain by the Limited Liability Partnerships Act 2000. Registration as an LLP has been available from 6 April 2001. The detailed accounting requirements relating to LLPs are currently set out in the following Statutory Instruments:
 - 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); and
 - The Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (SI 2008/1913).
5. The Regulations apply, with appropriate modifications, the accounts and audit provisions of the Companies Act 2006 to LLPs. The SORP does not specifically apply to overseas LLPs that trade in this country or to unincorporated partnerships.

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